

Historic, archived document

Do not assume content reflects current scientific knowledge, policies, or practices.

EXTENSION OF PUBLIC LAW 480

HEARING
BEFORE THE
COMMITTEE ON
AGRICULTURE AND FORESTRY
UNITED STATES SENATE
EIGHTY-FIFTH CONGRESS
FIRST SESSION



ON
S. 671, S. 1127, and S. 1314

BILLS TO EXTEND THE AGRICULTURAL TRADE DEVELOPMENT
AND ASSISTANCE ACT OF 1954, AND FOR
OTHER PURPOSES

MARCH 20, 1957

Printed for the use of the Committee on Agriculture and Forestry



UNITED STATES
GOVERNMENT PRINTING OFFICE
WASHINGTON : 1957

COMMITTEE ON AGRICULTURE AND FORESTRY

ALLEN J. ELLENDER, Louisiana, *Chairman*

OLIN D. JOHNSTON, South Carolina

SPESSARD L. HOLLAND, Florida

JAMES O. EASTLAND, Mississippi

HUBERT H. HUMPHREY, Minnesota

W. KERR SCOTT, North Carolina

STUART SYMINGTON, Missouri

HERMAN E. TALMADGE, Georgia

GEORGE D. AIKEN, Vermont

MILTON R. YOUNG, North Dakota

EDWARD J. THYE, Minnesota

BOURKE B. HICKENLOOPER, Iowa

KARL E. MUNDT, South Dakota

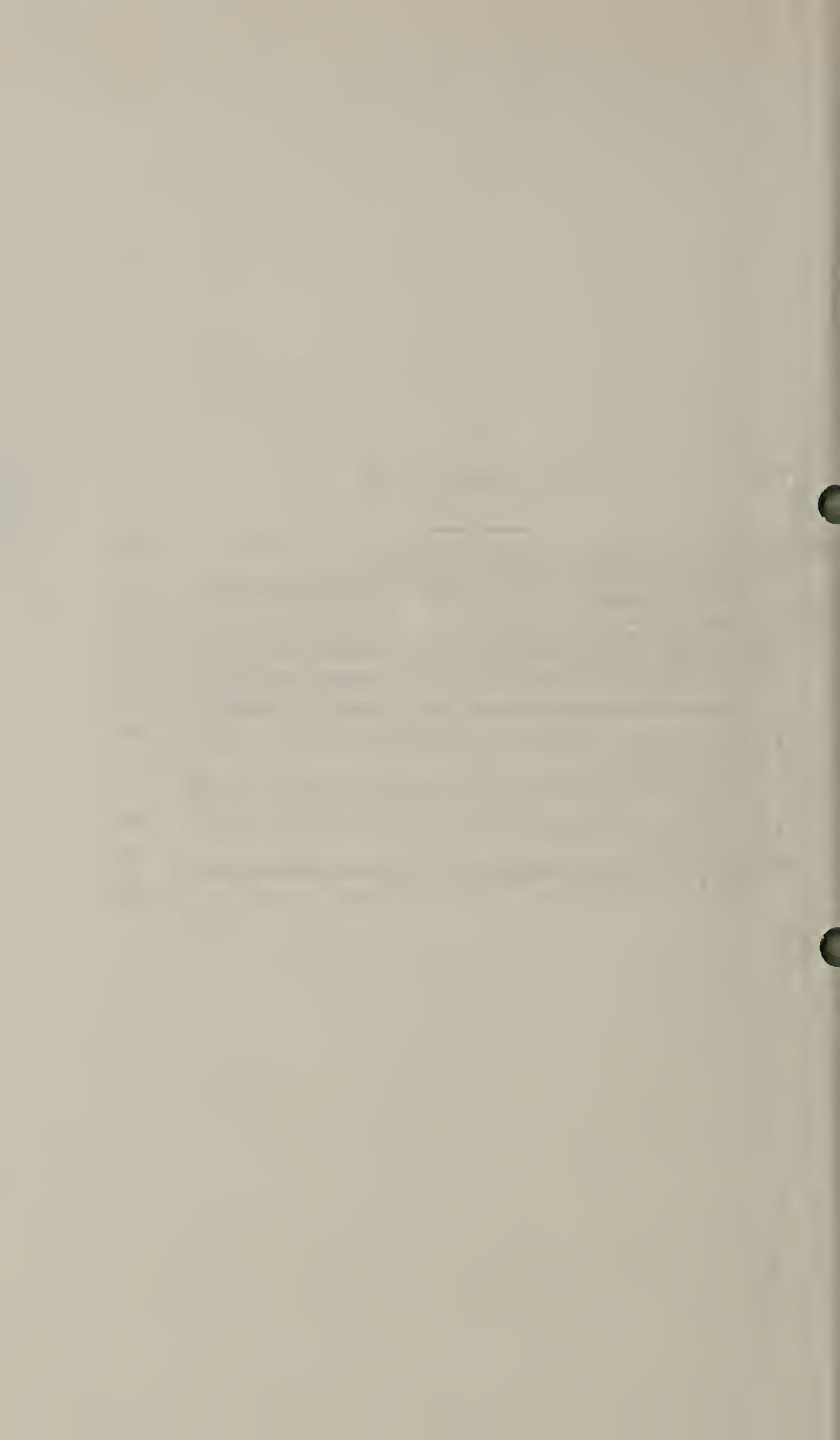
JOHN J. WILLIAMS, Delaware

ANDREW F. SCHOEPEL, Kansas

COTYS M. MOUSER, *Chief Clerk*

CONTENTS

Statements of—	Page
Butz, Earl L., Assistant Secretary of Agriculture.....	1
Garnett, Gwynn, Administrator, Foreign Agricultural Service, Department of Agriculture.....	16
Miscellaneous documents:	
S. 671, S. 1127, and S. 1314, 85th Congress.....	1
Statement filed by Assistant Secretary of Agriculture Earl L. Butz..	2
Statement filed by Department of Agriculture on accounting treatment of costs incurred under titles I and II of Public Law 480.....	11
Table, commodity composition of agreements signed, July–December 1956.....	21
Table, commodity composition of all agreements signed through December 31, 1956.....	21
Table, planned uses of foreign currency under title I, Public Law 480, agreements signed from beginning of program through December 31, 1956.....	22
Table, quantities of major commodities held by Commodity Credit Corporation.....	30
Table, exports of major agricultural commodities, including title I, Public Law 480 portion.....	30



EXTENSION OF PUBLIC LAW 480

WEDNESDAY, MARCH 20, 1957

UNITED STATES SENATE,
COMMITTEE ON AGRICULTURE AND FORESTRY,
Washington, D. C.

The committee met, pursuant to call, at 10:10 a. m., in room 324, Senate Office Building, Senator Allen J. Ellender (chairman) presiding.

Present: Senators Ellender (chairman), Johnston, Holland, Eastland, Humphrey, Symington, Talmadge, Aiken, Young, Thye, Hick-enlooper, Schoeppel, and Williams.

The CHAIRMAN. The committee will please come to order.

Dr. Butz, will you give your name in full for the record?

STATEMENT OF HON. EARL L. BUTZ, ASSISTANT SECRETARY OF AGRICULTURE

Mr. BUTZ. Earl L. Butz, Assistant Secretary of Agriculture.

The CHAIRMAN. We are now considering extension of Public Law 480. In addition to S. 1314, we have two other bills on the subject, S. 671 by Senator Thye and S. 1127 by Senator Humphrey. The three bills will be inserted in the record at this point.

[S. 671, 85th Cong., 1st sess.]

A BILL To extend and enlarge the Agricultural Trade Development and Assistance Act of 1954, as amended

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 103 (b) of the Agricultural Trade Development and Assistance Act of 1954, as amended (Public Law 480, Eighty-third Congress), is amended by striking out "\$3,000,000,000" and inserting in lieu thereof "\$4,000,000,000".

SEC. 2. Section 109 of such Act is amended by striking out "June 30, 1957" and inserting "June 30, 1958".

SEC. 3. Section 204 of such Act is amended by striking out "June 30, 1957" and inserting "June 30, 1958".

SEC. 4. Section 304 of such Act is amended by adding at the end thereof the following: "Nothing in this section shall be construed as prohibiting the barter or exchange of nonstrategic agricultural commodities with any country other than the Union of Soviet Socialist Republics, Communist China, or North Korea."

[S. 1127, 85th Cong., 1st sess.]

A BILL To extend and enlarge the Agricultural Trade Development and Assistance Act of 1954, as amended

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 103 (b) of the Agricultural Trade Development and Assistance Act of 1954, as amended (Public Law 480, Eighty-

third Congress), is amended by striking out "\$3,000,000,000" and inserting in lieu thereof "\$6,000,000,000".

SEC. 2. Section 109 of such Act is amended by striking out "June 30, 1957" and inserting "June 30, 1959."

SEC. 3. Section 204 of such Act is amended by striking out "June 30, 1957" and inserting "June 30, 1959".

SEC. 4. Section 304 of such Act is amended by adding at the end thereof the following: "Nothing in this section shall be construed as prohibiting the barter or exchange of nonstrategic agricultural commodities with any country other than the Union of Soviet Socialist Republics, Communist China, or North Korea."

[S. 1314, 85th Cong., 1st sess.]

A BILL To extend the Agricultural Trade Development and Assistance Act of 1954, and for other purposes

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the Agricultural Trade Development and Assistance Act of 1954, as amended, is amended as follows:

(1) Sections 109 and 204 of such Act are amended by striking out "1957" and substituting in lieu thereof "1958".

(2) Section 103 (b) of such Act is amended by striking out "\$3,000,000,000" and inserting in lieu thereof "\$4,000,000,000".

(3) Section 203 of such Act is amended by striking out "\$500,000,000" and inserting in lieu thereof "\$800,000,000".

(4) Section 304 of such Act is deleted.

The CHAIRMAN. Now I notice you have a prepared statement, Doctor Butz. Do you deal solely with S. 1314, or are you able to discuss the two other bills just mentioned?

Mr. BUTZ. The others are mentioned briefly.

The CHAIRMAN. All right, proceed, sir.

Mr. BUTZ. Mr. Chairman, I have prepared a statement. I think in the interest of time I will omit part of it because I think this committee is familiar with the background of Public Law 480.

As you gentlemen know, Public Law 480 is now in its third year of operation. It was initially passed for the three-year period with an initial authorization of \$700 million under title I. That was subsequently increased to \$1½ billion and then last August it was raised to \$3 billion.

Under this program we have been attempting vigorously—I am going to skip down now to page 3, if you want to follow here. The first two pages is mostly background material that you are familiar with.

The CHAIRMAN. The whole statement will be put in the record. (The statement referred to is as follows:)

I appreciate this opportunity to appear before you to discuss the Public Law 480 program. Public Law 480, approved on July 10, 1954, provided several constructive methods to dispose of our agricultural surpluses.

Title I of Public Law 480 originally provided a \$700 million authorization for selling surpluses abroad to friendly countries for foreign currencies. On August 12, 1955, the authorization was increased to \$1.5 billion; on August 3, 1956, the total limitation was raised to \$3 billion.

We are now recommending an increase of \$1 billion in this authority and an extension of 1 year in the time that new agreements may be concluded. We are also recommending a 1-year extension and an increase of \$300 million in title II of the law which authorizes donations of commodities for emergency needs abroad. Finally, we are requesting repeal of section 304 of title III to permit barter transactions to Eastern European countries under certain conditions. Title III of Public Law 480 authorizes barter operations as well as donations through voluntary relief agencies of surplus farm products.

DESCRIPTION OF TITLE I, PUBLIC LAW 480

Title I authorizes the President to enter into agreements with friendly nations or organizations of friendly nations for the sale of agricultural commodities for foreign currencies. Under existing legislation, new agreements cannot be entered into after June 30, 1957.

Title I agreements result from the coordinated efforts of several Government agencies affected by these sales. Although the Secretary of Agriculture is authorized to determine the countries with whom agreements shall be negotiated and the commodities and quantities which may be included in these negotiations, programs are developed in consultation with such agencies as the State Department, the International Cooperation Administration, the Bureau of the Budget, Defense Department, and other departments and agencies. This coordination is necessary because Public Law 480 is a complex act; it combines many purposes which affect our domestic and foreign economic policies and involves activities of several departments and agencies.

At the beginning of the program, the President directed the establishment of an Interagency Committee on Agricultural Surplus Disposal. This committee is responsible for advising the President concerning policy issues and for assuring that the various agricultural disposal activities are consistent with overall policy objectives. The committee is chaired by Mr. Clarence Francis of the White House staff with representatives, at the Assistant Secretary level, of the Departments of Agriculture, Commerce, Treasury, and State, and the International Cooperation Administration and the Bureau of the Budget.

Day-to-day activities are coordinated through an interagency staff committee established by the Secretary of Agriculture. This committee is chaired by the Foreign Agricultural Service and includes staff-level representatives of the agencies on the Interagency Committee on Agricultural Surplus Disposal, and other departments and agencies. This staff committee considers proposed programs and approves the negotiation of specific country agreements.

Title I agreements are negotiated through diplomatic channels. Negotiations usually are carried on overseas by United States Embassy officials designated by the United States Ambassador. At times, negotiations are conducted in Washington and led by the State Department. In negotiating an agreement, commitments are obtained from the importing country to safeguard the usual marketings of the United States and to assure that sales under the agreement will not unduly disrupt world markets. Because of these commitments, foreign currency sales under title I have resulted in substantial exports of United States agricultural commodities without perceptibly affecting our normal markets or depressing world commodity prices.

PROGRAM PROCEDURES

Title I programs are helpful in developing and expanding continuous market demand abroad through the use of private trade channels. While the funds and other assets of the Commodity Credit Corporation are used to finance exports of commodities from the Corporation's stocks or from privately owned stocks, actual sales are made by United States exporters to importers or buying missions designated by importing countries. These commodities generally move through regular trade channels on the same price basis that commodities move under dollar sales programs.

Our main efforts in programing commodities under title I agreements are directed toward the reduction of Government stocks. For example, programing of wheat and cotton represents more than 65 percent of the total programing at CCC cost, to date. Significant quantities of commodities not held by CCC but in surplus supply, are also programed under these agreements. Although these quantities are small in comparison to wheat and cotton, they serve the major objectives of Public Law 480 of reducing United States agricultural surpluses and promoting world markets for our agricultural commodities.

In carrying out the objectives of the act, considerable emphasis is placed on programing commodities to underdeveloped and new market areas. The 3-year programs signed with India and Brazil during this fiscal year are good examples of this emphasis. These countries have a large potential for increased consumption of United States agricultural commodities. Considerable emphasis has also been given to use of title I programs to assist friendly nations to become independent of trade with the U. S. S. R., or nations dominated or controlled by the U. S. S. R. Commitments are obtained from participating countries to assure that these commodities do not result in increased availability of such commodities to unfriendly countries.

After agreements are signed, purchase authorizations are issued to importing governments by the Foreign Agricultural Service. These authorizations specify the kinds, quantities, and maximum dollar values of the commodities to be purchased, and the conditions under which financing will be made available. Public announcements are made of these authorizations for use by United States suppliers in making sales with foreign importers.

Normal commercial procedures, based largely on letters of credit, are followed in carrying out title I sales. Importers pay for commodities in local currencies through their local banks. United States suppliers are paid in dollars by United States banks with which the foreign banks have established dollar letter of credit arrangements. The United States banks are reimbursed by the Commodity Credit Corporation. The foreign currency purchase price of the commodities is deposited to the account of the United States Government in accordance with arrangements made between Governments of the United States and the importing country.

PROGRAM RESULTS

Since the inception of the program, 87 agreements or supplements to agreements had been entered into with 30 countries. These agreements include commodities involving a total CCC cost of about \$2.9 billion and a total export market value of about \$2 billion. These costs include about \$225 million in ocean transportation which are being financed by CCC.

The title I authorization is in terms of CCC cost which includes the cost of commodities, processing, handling, and other costs. The export market value represents the prices actually paid by importers under individual transactions. Because of this cost difference, programming of \$2 billion in export market value has nearly exhausted the CCC cost limitation of \$3 billion.

About \$1 billion worth of commodities at export market value has already been exported. By the end of the current fiscal year shipments should total about \$1.2 billion. A large portion of the unshipped balance on June 30, 1957, will represent the 1958 and 1959 programs with India and Brazil under their 3-year agreements.

Fiscal year 1956 was the first full year of title I operations. During that year, about \$427 million worth of commodities was exported or 12 percent of total United States agricultural exports. Shipments this fiscal year are averaging about \$60 million per month and are expected to comprise about 16 percent of our total agricultural exports which are expected to establish a new record.

In terms of tonnage, title I programs exceed 16 million metric tons, of which somewhat more than 50 percent has been shipped. Over 3 million metric tons were shipped during the first 6 months of this fiscal year. A chart of shipments by month, in terms of tonnage and export market value, through December 31, 1956, is being made available to the committee showing the rise in shipments over a 2-year period.

As I indicated previously, title I programs are directed primarily at the reduction of accumulated surpluses. Wheat and cotton have been our big items in CCC inventory. Let's look at the record for these and other commodities.

WHEAT

More than 430 million bushels of wheat and wheat flour have been programed to date, of which about 270 million bushels were included in agreements signed during the past 7 months. During fiscal year 1956, title I exports of wheat and wheat flour totaled 93 million bushels; during the first 6 months of this fiscal year title I wheat exports exceeded 60 million bushels and these shipments are increasing. These shipments will help raise total wheat exports this year to an estimated 450 million bushels. This compares with exports of 344 million bushels last year. It appears that for the first time in several years there will be a reduction in the carryover stocks of wheat.

COTTON

Title I agreements include more than 2.5 million bales of cotton. Movement of cotton was slow until the new export sales program made United States cotton competitive beginning with the 1956-57 season. Title I shipments are now being made at a rate of about 125,000 bales a month. These shipments are going to countries which could not otherwise afford to purchase our fiber. Like wheat, we should get a reduction in carryover stocks of cotton for the first time in several years. Total United States cotton exports should reach or exceed 6.5

million bales this year. The carryover is expected to be reduced by 2 million bales.

RICE

Shipments of rice have been heavy this year under title I. With additional rice being shipped under title II, we have succeeded in committing for shipment all CCC stocks of rice accumulated from the 1953, 1954, and 1955 crops. A part of the surplus from the current crop is also being shipped under Public Law 480. Rice exports are expected to reach a record level of 25 million bags. About 16 million bags will be shipped under title I alone.

COTTONSEED OIL AND SOYBEAN OIL

More than 1.2 billion pounds of cottonseed oil and soybean oil have been included in title I agreements, of which about 900 million pounds have been exported. This has been a major reason for the movement of surplus supplies of vegetable oils into consumption and the attainment of a record export total last year. Considerable quantities of vegetable oil have been programed for shipment this year and are helping to maintain exports at a high level.

OTHER COMMODITIES

Title I programs also include about 150 million pounds of tobacco, 150 million pounds of meat products, 200 million pounds of lard, 75 million bushels of feed grains, 130 million pounds of dairy products, 80 million pounds of fruits and vegetables, as well as smaller quantities of other commodities.

EFFECT ON CCC STOCKS

We are glad to report that the steady rise in the Commodity Credit Corporation holdings in surplus commodities has apparently been halted. The cost value of CCC holdings was \$5.2 billion on November 30, 1953. It rose to \$6.9 billion a year later and reached \$8.2 billion in November 1955. There was a downturn of \$30 million in November 1956 as against the positions a year earlier. As of January 31, 1957, the downturn was slightly more than one-half billion dollars.

The peak of \$8.9 billion was reached in February 1956. We expect this figure to drop to \$7.6 by June 30, 1957—a reduction of \$700 million in 12 months and a reduction of about \$1.3 billion since the peak.

Programing of the major items in CCC inventory or under loan under title I of Public Law 480, as well as dollar sales and other Government export programs appear to have checked the accumulation of surpluses and resulted in a modest reduction in excess holdings. Further reductions are likely as a result of the combined effects of continued surplus disposal and production adjustment programs, including the soil bank.

USES OF FOREIGN CURRENCIES

The foreign currencies which accrue from title I sales may be used for 10 purposes specified in section 104 of the law.

One of the principal objectives of Public Law 480 is the expansion of foreign markets for United States agricultural products. Market development projects are already underway in 20 countries involving the equivalent of about \$5 million. About \$32 million is earmarked for this purpose under existing agreements.

Many different kinds of commodities are promoted under this program through the use of several promotion devices. I'll mention a few of them.

We have 10 tobacco projects in operation in Austria, Finland, France, Italy, Japan, Korea, Spain, and Thailand. All these projects aim at greater use of our tobacco in the manufacture of cigarettes. These include marketing studies, exhibits at trade fairs, advertising and promotional displays, and exchange visits of tobacco industry representatives of the United States and the foreign countries concerned.

Cotton projects are being developed in France, Japan, and Spain through the Cotton Council International which represents the United States cotton industry abroad. The Maid of Cotton is being sent abroad to promote the sale of cotton products for apparel and household uses under this program.

Dairy products projects are underway in Colombia; market promotion activities for wheat have been conducted in the same country.

A large and distinct part of market development concerns participation in trade and food fairs throughout the world. Exhibits of United States farm products in these fairs permit the introduction of products to millions of people. The distribution of samples is emphasized. We have participated in 13 international fairs to date and plan to exhibit in 8 additional fairs through October 1957.

Considerable use of currencies is made for the payment of United States obligations overseas. In some countries the currencies are sold to defense agencies for meeting costs of military base construction. Purchases are also made by the Department of State and the United States Information Agency which have continuing needs to meet administrative and operating expenses. In addition, about \$100 million has been allocated for the purchase or construction of military family housing in 8 countries.

Currencies are being used for educational-exchange programs, for assistance to American-sponsored schools, libraries, and community centers, and for the translation, publication, and distribution of books and periodicals abroad.

Substantial amounts of the foreign currencies are being used to promote economic development. Virtually all of these development funds are loaned to participating countries with programs being worked out by the foreign governments in cooperation with the United States. Direct grants of currencies for economic-development purposes are made only in special circumstances.

Of the agreements signed to date, almost 60 percent, or about \$1.1 billion of foreign-currency payments is earmarked for use for economic-development loans. The administration of the loan funds is the responsibility of the International Cooperation Administration. Considerable emphasis is placed upon coordinating plans for the use of these funds with the overall development programs of the countries. In considering loan projects for agricultural purposes care is exercised to avoid encouragement of production which would result in reduced outlets for United States agricultural commodities.

Finally, foreign currencies are used for the purchase of strategic materials, procurement of military services and equipment for the common defense abroad, and for the purchase of goods for other friendly countries.

PLANS FOR ADDITIONAL BILLION DOLLARS

The request for an additional \$1 billion will permit us to program agricultural commodities for fiscal year 1958 at about the same annual rate as in the past 2 years. It will permit us to plan our disposition programs well in advance for fiscal year 1958 and facilitate the orderly disposal of commodities during that period.

In programing the additional authorization our emphasis will continue to be concentrated in underdeveloped, low-income countries. Sales will be made to expand consumption, to regain or establish new markets, to meet foreign needs arising from crop failures, and to expand reserve stocks overseas.

We have limited our request to an additional \$1 billion and a 1-year extension because we believe it desirable that the results obtained under this program be subjected to a periodic review. This request also emphasizes the Administration's position that Public Law 480 is a temporary program designed to deal primarily with accumulated farm surpluses. Such a periodic review also permits consideration of alternative methods of surplus disposal and other actions aimed at expanding normal export markets.

TITLE II AND SECTION 304

We recommend an increase of \$300 million in the title II authorization. Since current commitments are about \$300 million, this will have the effect of restoring the authorization to the existing \$500 million.

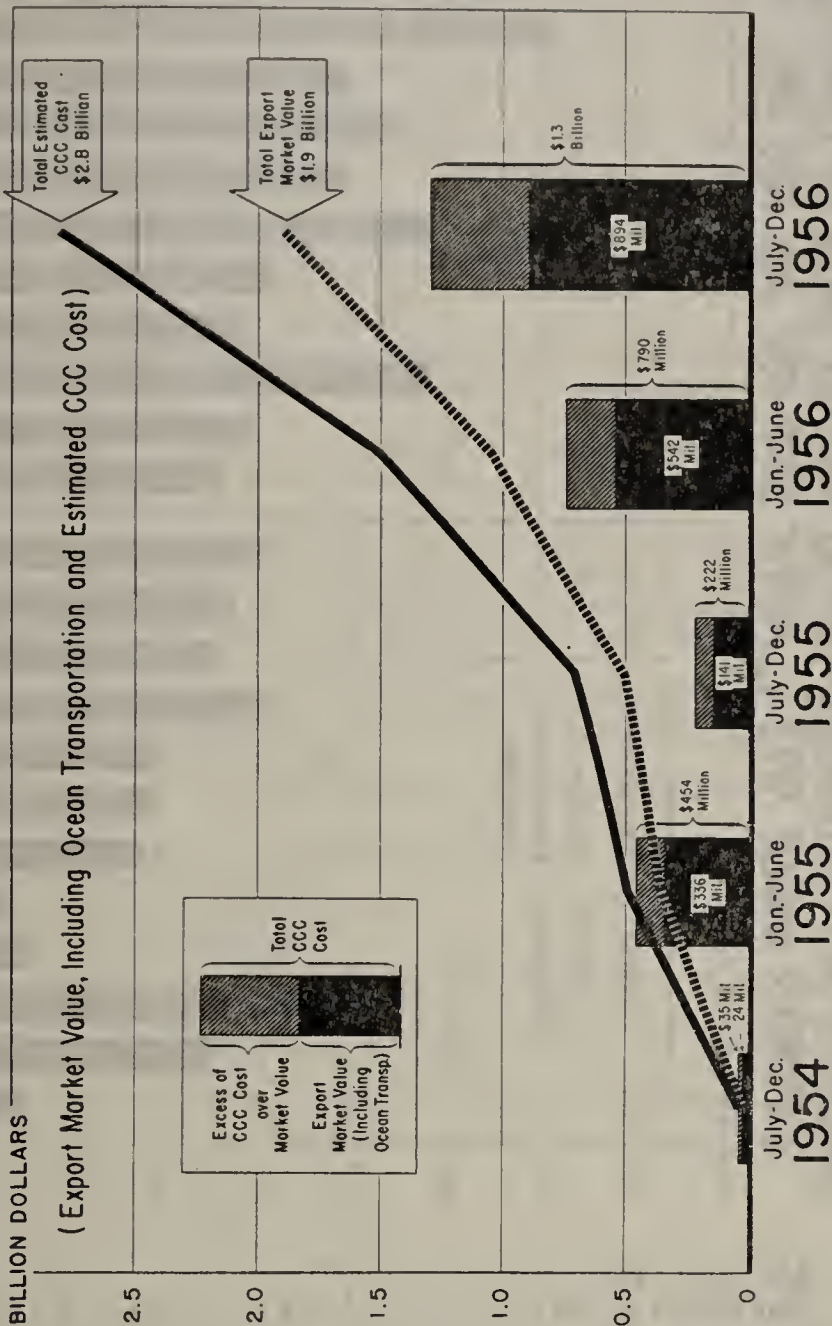
This program is of great value to the United States. It provides a means by which we can help friendly foreign people in time of need. Recent events can illustrate what is done under this program. Title II has furnished commodities to help feed Hungarian refugees in Austria; it has alleviated distress caused by floods in Afghanistan and Iran; it has furnished relief to Bolivia and Tunisia.

Title II activities are administered by the International Cooperation Administration, although the commodities are supplied by CCC. In addition to my associates, we have representation from ICA here today to answer questions concerning this program.

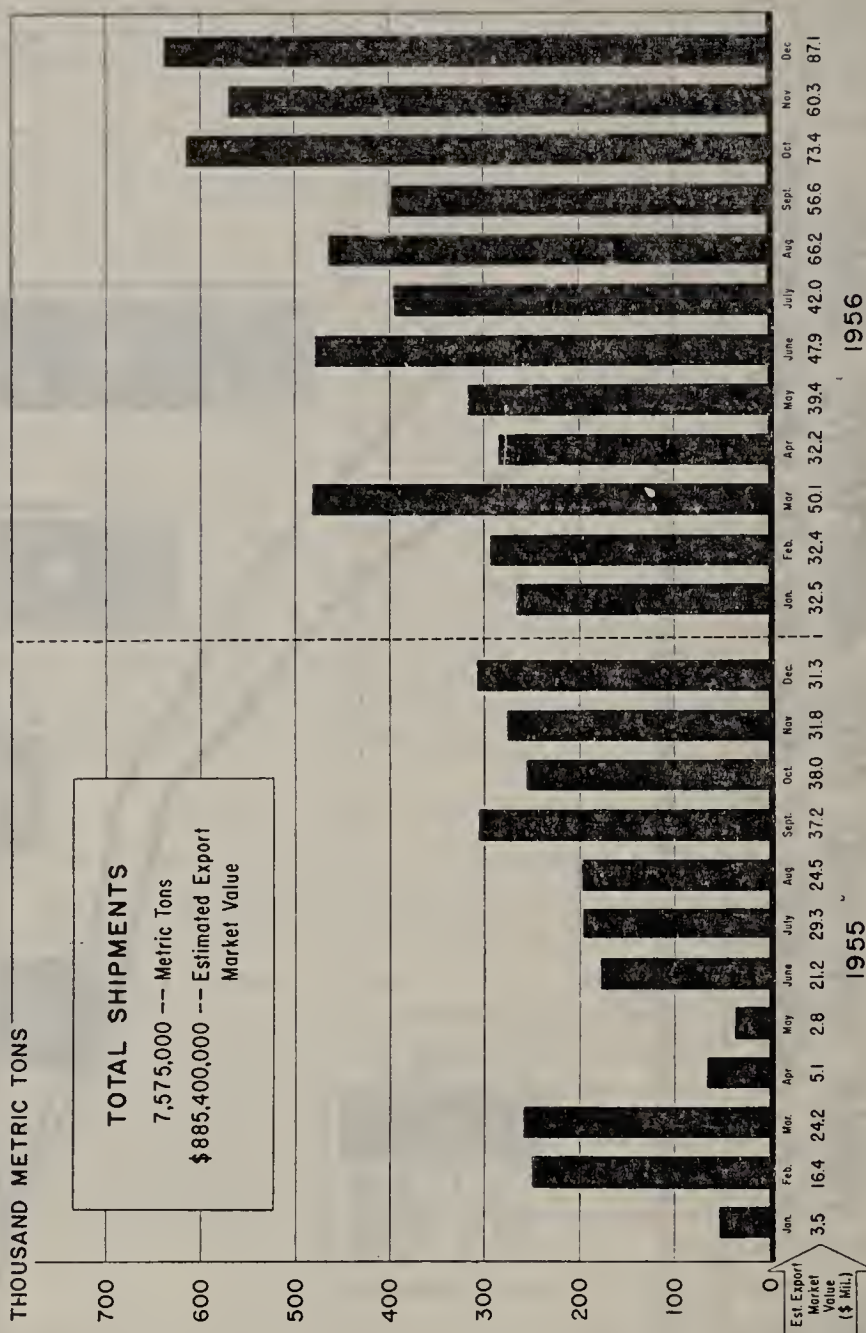
We also have State Department people here, particularly because of the recommendation to repeal section 304 of the act. This would be helpful in our foreign-

policy objectives since it would enable us to send our agricultural surpluses to Eastern European satellites in exchange for strategic or other material. In view of recent events in Europe, we feel that this new authority, administered on a selective basis, would permit us to capitalize further on unrest in satellite countries.

TITLE I, PUBLIC LAW 480 SALES AGREEMENTS SIGNED JULY 1, 1954 - DECEMBER 31, 1956, BY SIX-MONTH PERIODS



**QUANTITIES AND ESTIMATED EXPORT MARKET VALUE OF COMMODITIES
EXPORTED UNDER TITLE I, PUBLIC LAW 480, JAN. 1955 - DEC. 1956**



USDA

FAS NEG 1.219

Mr. BUTZ. Yes.

Our efforts so far have been devoted primarily to the reduction of Government stocks. For example, programing of wheat and cotton represents more than 65 percent of the total programing, at CCC cost, to date. Significant quantities of commodities not held by CCC but in surplus supply, are also programed under these agreements. Although these quantities are small in comparison to wheat and cotton, they serve the major objectives of Public Law 480 of reducing United States agricultural surpluses and promoting world markets for our agricultural commodities.

Now I want to skip over to the bottom of page 4, if you want to follow, for a very brief summary on program results.

In the 3 years this program has been operating, we have entered into 87 agreements with 30 countries. These agreements include commodities involving a total CCC cost of about \$2.9 billion and a total export market value of about \$2 billion. These costs include about \$225 million in ocean transportation which are being financed by CCC.

The title I authorization is in terms of CCC cost, which includes the cost of commodities, processing, handling, and other costs. The export market value represents the prices actually paid by importers under individual transactions.

Senator YOUNG. May I interrupt at this point?

Do you give the amount of net loss to the Government? There is some recovery on barter agreements and things like that?

Mr. BUTZ. We will get into that later.

Because of this cost difference, programing of \$2 billion in export market value has nearly exhausted the CCC cost limitation of \$3 billion.

Senator SYMINGTON. May I ask a question for clarification?

When you say "loss," is it an actual cash loss to the Government? How do you compute loss?

Mr. BUTZ. When we are speaking here about this discrepancy between the \$2.9 billion CCC cost, and the approximately \$2 billion export value, that means that that is essentially a difference between our acquisition cost and the other costs that we incur, such as handling, processing, packaging, and transportation, you see.

When we sell these things abroad for foreign currency, they must be sold at the world competitive price level. Otherwise they will not move into consumption, you see.

Senator SYMINGTON. So, then, the cost is the true loss to the Government; net?

Mr. BUTZ. Not entirely. A part of it depends on the recovery we get from the foreign currency, too.

We will get into that a little later.

Senator SYMINGTON. All right.

But when you move the grain over here, the price at which you sell it is the price at which you bought it, plus the handling charges, and so forth, less the loss that you have to take incident to making it meet the world price: is that correct?

Mr. BUTZ. Yes; the price at which we sell it is the world price. And the difference between that and acquisition cost, plus handling and storage cost, represents our loss.

Senator SYMINGTON. Plus storage?

Mr. BUTZ. Yes. Represents our loss.

The CHAIRMAN. To be more specific, on page 3 of the President's Fifth Report On Activities Under Public Law 480, in the second table on that page, the column headed "Export market value" plus transportation shows \$1,938.2 million. That is the cost to which you refer, is it not?

Mr. BUTZ. Yes, that is right.

The CHAIRMAN. And the Commodity cost there was \$2,826.1 million. Now if we get the difference between those two figures, that will indicate the actual loss to the Commodity Credit Corporation on that transaction, less other losses that may be sustained by the Government through a lack of being able to dispose of it, or obtain from the coun-

tries to which the commodities were sold, actual value for their currency?

Mr. BUTZ. That is correct. The second loss is not yet ascertainable.

Senator HOLLAND. It would be plus that loss instead of minus it, wouldn't it? That second loss——

The CHAIRMAN. The first loss is actual, that is, there are no "ifs" and "ands" about it. The Government will lose on agreements signed through December 31, 1956, the difference between \$1,938.2 million and \$2,826.1 million? We do not know how much more yet.

Mr. BUTZ. That is correct.

The CHAIRMAN. Then we are going to get more losses, depending on how much of the currencies we can get value for.

Senator SYMINGTON. That would be a credit, wouldn't it, Mr. Chairman?

The CHAIRMAN. No.

Mr. BUTZ. If there is any recovery from the currency——

The CHAIRMAN. No, it is not.

Senator HOLLAND. Additional loss?

Mr. BUTZ. I think the Senator is correct in that it is a credit in foreign currency. The chairman is further correct in that we may not be able to convert all those foreign currencies into usable assets for the United States Government. They become a part of our total mutual security——

Senator SYMINGTON. May I say first we credit it against the loss of \$888 million, credit the foreign currency, and then if we take a licking in it we would take a debit against——

Senator HUMPHREY. No, the \$888 million is a dead writeoff to begin with—the difference between the purchase price and the sales price.

The CHAIRMAN. There is a dead loss to start with, between the two figures I have given, \$1,938.2 million and \$2,826.1 million, which is almost a billion dollars. That is a dead loss.

Senator SYMINGTON. I do not like to take the committee's time, but where does the question of foreign currency come into it?

The CHAIRMAN. Now the foreign currency is included in the \$1,938 million. That is where it is.

Senator SYMINGTON. Thank you.

Senator YOUNG. May I ask a further question? How do the barter agreements come into it?

Mr. BUTZ. They are under different authorization. They come under title III in the act and are in addition to the \$3 billion——

Senator YOUNG. That is in addition?

Mr. BUTZ. Yes.

The CHAIRMAN. But the President could have bartered some of this on the authority we gave him. You do not have to sell it the way you do, you could take goods in return, couldn't you?

Mr. BUTZ. Yes, sir; that has been done under title III of the act. But our aim has been, wherever possible, of course, to sell for dollars and then barter in some cases.

Senator HOLLAND. Mr. Chairman, one final question and I am sure I will be clear.

There is a loss expressed here on page 3, \$888 million plus. Is there any subsequent action incident to that loss which would result in reducing it or increasing it, and if so, what is that action?

Mr. BUTZ. This simply becomes a loss of the Commodity Credit Corporation, and has to be reimbursed by congressional appropriations, the same as any other CCC bills.

Senator WILLIAMS. Isn't it correct to say nothing can happen to reduce the loss, but something can happen to increase the loss as a result of not being able to recover all the dollars in exchange for the foreign currencies?

Mr. BUTZ. You are correct.

Senator WILLIAMS. And the only possible chance you would have to win would be if the foreign currencies would appreciate in value and the American dollar would depreciate—which we hope won't happen?

Senator AIKEN. It is just like this, Senator Symington: If your calf dies, he is a dead loss; but if you skin him and sell the hide you have made a partial recovery of the loss.

Senator SYMINGTON. That is what I was thinking.

Senator AIKEN. I wanted to get down a level on this.

Senator WILLIAMS. I would like to ask a question here.

Mr. BUTZ. Is this approximately \$900 million loss included in the previous reports of the Commodity Credit Corporation, or will that show up later? Has this been included in any of your annual or monthly statements put out by the Commodity Credit Corporation?

Mr. BUTZ. It is difficult for me to answer that accurately. I will have to check the records. My understanding is it does show up as an operating loss at the time the commodities are moved abroad.

Senator WILLIAMS. And the accumulative loss has been reported——

Mr. BUTZ. That is my understanding, but I would like to check that.

(The information is as follows:)

ACCOUNTING TREATMENT OF COSTS INCURRED UNDER TITLES I AND II OF THE AGRICULTURAL TRADE DEVELOPMENT AND ASSISTANCE ACT OF 1954 IN THE RECORDS AND REPORTS OF THE COMMODITY CREDIT CORPORATION

The Agricultural Trade Development and Assistance Act of 1954 provides that the Commodity Credit Corporation shall be reimbursed by dollars received from sales of foreign currencies or by appropriations for all costs incurred under titles I and II of the act, including the Corporation's investment in commodities made available for export.

The cost to the Government for these activities is not shown in the program results or operating statements of the Corporation as a loss or cost because of the congressional provisions for specific reimbursement. Commodities made available by CCC are reported as sold for full recovery and the value of the commodity is recorded as an amount due under the act. Moneys expended to finance the costs of commercial stocks exported, and for all other incidental costs, are likewise established as an amount due under the act.

In the appropriation requests submitted by the Department in the annual budget, the Congress is requested to reimburse CCC for the balance of these amounts due as reflected in an accounts receivable as of June 30 minus the value of foreign currency on deposit as of June 30.

Senator HUMPHREY. You use the word "loss." Why don't you use the word "expenditure"? We send a lot of old tanks—we talk about them not working very good; most of them, after they get them there, are old anyway. What do we call that? Do we call that a loss, or do we call that expenditure?

Mr. BUTZ. I think we argue——

Senator HUMPHREY. I just wanted the semantics. Semantics is a very important science. I just wanted to get the record straight

here. I mean, we are selling food to friendly countries. All this food goes only to friendly countries; isn't that right?

Mr. BUTZ. Yes; that is right.

Of course, you are quite right, Senator; the expenditure has been made in our price-support program. What we are engaging in here is an operation to get partial recovery from the expenditure which has been made.

Senator HUMPHREY. But under title I you are permitted, for example, to purchase strategic goods related to the defense of our country——

Mr. BUTZ. Yes.

Senator HUMPHREY. For example, a lot of these foods are sold into countries where the local currency is picked up to pay for cost of our military establishments——

Mr. BUTZ. Yes.

Senator HUMPHREY (continuing). Which reduces the cost of the Department of Defense somewhat.

Mr. BUTZ. We cover that later in my statement, Senator.

Senator HUMPHREY. I just don't want the program to be looked upon as something like what we did with excess ammunition after the war, World War II—dumping it into the lake. Somebody does get some good out of this?

Mr. BUTZ. Right.

Senator HUMPHREY. It does make friends, and does use our abundance for constructive purposes, and it maybe does a whole lot more good than tanks that fell through bridges in Formosa and that they had to fish out of the river?

Mr. BUTZ. You are right.

The CHAIRMAN. Mr. Butz, may I ask the Senator to refer to page 23 of the printed report? There is a detailed summary, percentage-wise, of how these funds are being used. And it says, "Loans for multilateral trade and economic development." That is a part of this entire amount, which is 56.8, which is being loaned back to the countries.

Mr. BUTZ. Yes, sir.

The CHAIRMAN. Now you have an item in payment of United States obligations abroad, which was just discussed by my good friend from Minnesota, which is 24.2 percent of the entire amount of goods sold up to December 31.

That is correct; is it not?

Mr. BUTZ. Yes, sir.

The CHAIRMAN. And then you have grants for multilateral trade and economic development, 3.2. That is a form of foreign aid; is it not?

Mr. BUTZ. Yes, sir.

The CHAIRMAN. Then you have purchase of goods for other countries, at 1.2 percent of the whole. That is another form of foreign aid; is it not?

Mr. BUTZ. Yes, sir.

The CHAIRMAN. Then you have military procurement, 11.5. Now, may I ask this: The figure 11.5 and the figure 24.2 which I have just mentioned, are those two amounts paid the Commodity Credit Corporation in cash?

Mr. BUTZ. Yes, sir. In some cases they may not be. My understanding is they are paid in cash.

The CHAIRMAN. In other words—

Mr. BUTZ. Military procurement is not.

Senator HUMPHREY. No, it is not.

Mr. BUTZ. Military procurement is not.

Senator SYMINGTON. Mr. Chairman, what page are you looking at?

The CHAIRMAN. Page 23, Senator.

Will you look on page 23, then, and tell us which of the amounts indicated percentagewise of the total amounts sold is paid in cash? You said 24.2 percent is paid in cash?

Mr. BUTZ. Payments of United States obligations abroad are returned to the CCC one way or another in cash.

The CHAIRMAN. Now will you explain what those transactions are—what is it, the payment of United States obligations, of what nature?

Mr. BUTZ. Oh, it may be embassy expenses abroad; it may be Army expenses abroad it may be housing construction for troops abroad, or military personnel abroad.

The CHAIRMAN. And that is paid out of funds that we appropriate for the Department's uses?

Mr. BUTZ. Yes, sir.

The CHAIRMAN. Are there any other items on page 23 that are returned and paid for in cash, in the same manner as the item for payment of United States obligations abroad?

Mr. BUTZ. I think the only one is the big item, loans for multilateral trade and economic development, of 56 percent, which, when it is repaid—

The CHAIRMAN. That is—

Mr. BUTZ. That comes back into Export-Import—

The CHAIRMAN. No, but those amounts represent the currencies of the various countries?

Mr. BUTZ. You are right. But, nevertheless, they sign a note to the United States for the amount—

The CHAIRMAN. I understand, payable in their own currency, not payable in cash. What I desired to do was to separate the cash items—that is, United States dollars from foreign currencies.

Mr. BUTZ. Quite right, they are payable in their own currencies. But, if and when those currencies are used for United States uses, I understand they would then be reimbursable to the CCC.

In the future the CCC might recover part of that.

The CHAIRMAN. That is if they are repaid.

Mr. BUTZ. Yes, sir; and if they are used for United States uses. Then any department of government that uses them that way would reimburse the CCC for them.

The CHAIRMAN. Now the first item, 1.6 for market development, that is an expenditure made abroad through Agriculture, is it not, to develop markets?

Mr. BUTZ. Yes, sir.

The CHAIRMAN. And we use the local currencies for that purpose?

Mr. BUTZ. Yes, sir.

The CHAIRMAN. And then the purchase of strategic materials, four-tenths of 1 percent. Now under the law, as I pointed out awhile ago, you have authority to buy strategic materials. Now why didn't you

press on that and get something of value for the goods that we sold to these people?

Mr. BUTZ. Because we got most of our strategic materials through barter under title III.

The CHAIRMAN. Through barter?

Mr. BUTZ. You see, practically all of our barter program has been in strategic materials.

The CHAIRMAN. Do you have enough of these materials? Wouldn't you rather have a pile of aluminum in the backyard than a pile of wheat, or a handful of their currency?

Mr. BUTZ. Our policy has been to barter for the things which the strategic stockpile, supplementary stockpile, does not have at home. And so far we have been able to keep our barter at a level of approximately \$300 million a year.

The CHAIRMAN. But wouldn't it be more advantageous to us to get something of value from those people than just to take the currency?

Mr. BUTZ. Yes, if we had something that we could use here, that does not get so excessive in our domestic stockpile here as to become price depressing for the metals involved.

The CHAIRMAN. Well we need a lot of uranium, and we need a lot of other metals, and it strikes me that, as I told Mr. Garnett when he came to my office some time ago, we ought to press on that and at least try to get something of value that we can use. Even if we do not need it now, I would rather have it in our backyard than to have a handful of their currency. Wouldn't you?

Senator HUMPHREY. Mr. Chairman, isn't there an interagency squabble here between the Office of Defense Mobilization, which has responsibility for the stockpiling, and the Department of Agriculture?

Mr. BUTZ. I would not use the term "interagency squabble," Senator.

Senator HUMPHREY. Should I say lack of understanding?

Mr. BUTZ. No; no lack of understanding. I think our policy has been here that we will barter up to the limit or the objective of the supplementary stockpile.

Senator HUMPHREY. I was getting prepared for long hearings on this whole business, so I have asked some people to help. I have had people all over the world working on this Public Law 480 business, and I am loaded with information. I am just going through some of the material. I find that under title I you have certain limitations, and under III you have much broader application of barter provisions.

Under title I you are limited to materials of a strategic and critical character—and that is a list that is prepared by the Office of Defense Mobilization—

Mr. BUTZ. Yes.

Senator HUMPHREY. And under title I, if you buy or sell our goods, our surplus goods, for strategic materials, you would expect to be able to sell those strategic materials back into the stockpile and be reimbursed, wouldn't you?

Mr. BUTZ. That is right.

Senator HUMPHREY. And one reason you are not doing much of it is that they tell you they have enough, ODM feels they have enough of the strategic material?

Mr. BUTZ. Yes, in the main their stockpile objectives have been met. Most of our barter is for the supplementary stockpile, which is a broader list.

Senator HUMPHREY. What the chairman is saying is that maybe it would be a little bit easier to take care of, for example, if you could get platinum, which you once could get. I have information here that you could have purchased platinum for surplus goods, for agricultural commodities. There was such a deal available to our Government, and platinum could have been stored for one-tenth the cost that you could have stored agricultural commodities. Its small bulk and its high value make it obvious how much less the storage costs would be.

But we did not do it. The reason we did not do it is because ODM says we do not need any more platinum, so the Department of Agriculture says we will keep wheat rather than get platinum.

Senator SYMINGTON. That does not add up, because you can always sell platinum back into the normal market. ODM can sell any amount of the stockpile they want, and can take this relatively valuable material. Otherwise they would be refusing to make a deal in the interest of the American taxpayers.

Senator HUMPHREY. That is what I would have thought, but that did not happen because the ODM says we have enough of it. They are not selling from the stockpile; they put the lid on it. So there was no deal made.

Now I think I am fair in saying that the Department of Agriculture has felt restrained by the feelings that have been established by ODM. Is that right, Dr. Butz?

Mr. BUTZ. Yes, sir. We do not barter beyond the objectives of the ODM supplementary stockpile.

Senator HUMPHREY. Correct. And then you have, under title III, the right to barter for, not only strategic materials and critical materials, but other valuable materials that are essential for our national security?

Mr. BUTZ. Yes, sir——

Senator HUMPHREY. You have a broader field?

Mr. BUTZ. Those which have been listed in the supplementary stockpile are much broader than the strategic.

Senator HUMPHREY. And you have not done much of that either?

Mr. BUTZ. We have been running about \$300 million a year.

Senator HUMPHREY. About \$300 million?

Mr. BUTZ. Yes.

The CHAIRMAN. I wish to point out again, when we gave authority to the President, we left the door wide open for him to barter, sell, exchange, do what he pleased with it. And it certainly is my thought that, and as I told Mr. McLain the other day, we ought to try to get something of value from them. That is why, even though we do not need these materials now, we certainly can pile them up and they would be of more value, I repeat, than foreign currency.

Now to go back to this table on page 23 of this report, which we were discussing, the fourth column, you have military procurement, 11.5 of the total amount sold. Now how is that handled?

Mr. BUTZ. That is primarily for the support of military establishments of some of our allies.

The CHAIRMAN. That is in the nature, again, of foreign aid? That is like defense support, isn't it?

Mr. BUTZ. In a sense; yes, sir.

The CHAIRMAN. Well, isn't it exactly like defense support?

Mr. BUTZ. I am not familiar enough with defense support.

The CHAIRMAN. Is there anyone here from ICA who can testify this military procurement is used the same way as defense support is used?

Senator HUMPHREY. Mr. Chairman, I have a letter here from the Department of Defense that may be of some help to you. My letter is of March 11, in reply to a letter I wrote asking for information on title I of Public Law 480, and how this affected the Department of Defense.

They told me as follows:

The amount of \$241 million shown in the Department of Agriculture statistics is marked for common defense activities, the section 104 (c), in Brazil, Taiwan, Iran, Korea, Peru, Pakistan, Yugoslavia. To date you have only used a small portion of that, even though the amount is earmarked. In the absence of Public Law 480 funds, the support of these programs, except in the case of Peru, would be chargeable to the defense support portion of mutual security.

The CHAIRMAN. That is supplemental, though, Senator, as I pointed out in the Senate last year. As you pointed out, if you look at page 23, you will see that the amount used for military procurement is \$221.3 million.

Senator HUMPHREY. Yes.

The CHAIRMAN. And it is used in the same manner as foreign aid.

Senator HUMPHREY. Correct. It is supplementary, it is over and above.

The CHAIRMAN. Exactly.

Senator HUMPHREY. Besides that, may I say there are some \$42,600,000 worth in dollar equivalent of Public Law 480 currency that is earmarked for constructing military housing, for family housing in foreign countries under the authority of Public Law 765. The Department of Defense has programmed approximately \$42,600,000 on that. That is reimbursable, by the way—

Mr. BUTZ. May I point out that that is reimbursed under quarter's allowance given troops, and we get paid back over a period of time.

Senator HUMPHREY. A considerable period of time.

The CHAIRMAN. That is if we stay there long enough, but if we leave too soon, that goes to the country.

Senator HUMPHREY. You are not contemplating that, are you?

The CHAIRMAN. I would like to see us get out of there tomorrow if we can. [Laughter.]

Let's take the fifth column, purchase of goods for other countries, 23.5 million, or 1.2 of the total amount sold.

How is that handled?

Mr. BUTZ. Can I have Mr. Garnett answer that?

The CHAIRMAN. Yes.

STATEMENT OF GWYNN GARNETT, ADMINISTRATOR, FOREIGN AGRICULTURAL SERVICE, UNITED STATES DEPARTMENT OF AGRICULTURE

Mr. GARNETT. This is purchase for other countries. Part of it may be reimbursable under ICA, and the other part might be supplemental.

The CHAIRMAN. Why isn't that reimbursable in cash?

Mr. GARNETT. The law provides that it is reimbursable if there is an appropriation to cover that expenditure.

The CHAIRMAN. Well——

Mr. GARNETT. And if there is an appropriation to cover that expenditure, it is reimbursable.

The CHAIRMAN. Wouldn't there be some in the hands of ICA for that purpose if ICA undertakes it——

Mr. GARNETT. If it covers an expenditure for which there is an appropriation.

The CHAIRMAN. And if there isn't, that is just extra money that we are making available to these countries over and above foreign aid, the cash foreign aid?

Mr. GARNETT. Yes, sir.

The CHAIRMAN. Now, in what category would you put that, defense support also?

Mr. GARNETT. Or foreign aid.

The CHAIRMAN. Foreign aid or defense support. Now you have grants for multilateral trade and economic development, \$61.5 million, or 3.2 percent. Will you explain that item to us?

Mr. GARNETT. Yes, sir. This is a direct grant to the countries, and we have tried, in fact, we have adhered religiously to a policy of a single one-price export—one export price basis.

(Discussion off the record.)

The CHAIRMAN. In other words, I notice here you have \$7.5 million of that money chargeable to Greece. That meant that you subsidized the consumers, what ever you sold there, to the extent of \$7.5 million, because the cost of the commodity in Greece was much lower than the price that Greece had to pay——

Mr. GARNETT. Let me explain it this way, Senator, if I may. The objection that we have followed is to move the commodity rapidly, as the law tells us to do. These were cases where we either did not move the commodities or we made this accommodation so that we could. The instructions, as we interpreted them from the Congress, were that we were to move the stuff, and that is what we have done.

The CHAIRMAN. All right. Well, let's go back to my question.

Mr. GARNETT. Just a moment, I have another point.

In the case of Greece, it was a matter of a direct grant for earthquake relief, if you will remember.

The CHAIRMAN. Grants. Then it is a misnomer then. Grants for multilateral trade and economical development, that is a misnomer?

Mr. GARNETT. We are very happy to explain that it was—we did not know where to put it. It was a grant, it was given as a matter for earthquake relief——

(Discussion off the record.)

The CHAIRMAN. Well, payment of United States obligations, 24.2 percent. All of that is paid back in cash?

Mr. GARNETT. Those currencies are deposited to the account of the United States. And they may be sold to troops. For instance, we have troops in Turkey, and if they want some local currency, they buy it out of these funds. If the embassy has expenses to pay, for rent, or other expenses, these currencies are sold and the currency comes back to the Commodity Credit.

The CHAIRMAN. You state in your report that 24.2 percent of that will be sold for cash?

Mr. GARNETT. For dollar recovery.

The CHAIRMAN. Dollar recovery.

Senator YOUNG. May I ask this question, Mr. Chairman: Who has control over there of the expenditure of these funds, the final control, the Bureau of the Budget, the ambassador in the various countries where these funds may be, or—

Mr. GARNETT. These funds are allocated for use by the Bureau of the Budget. The different agencies of the Government—

Senator YOUNG. They have to have approval by the Bureau of the Budget?

Mr. GARNETT. That is right. And we have an approval procedure that is as strict, in many cases more difficult, than appropriation procedures.

Senator THYE. Then the Commodity Credit is given credit in the ultimate from the—

Mr. GARNETT. From this particular group.

Senator THYE. Yes, sir.

Mr. GARNETT. This is a dollar recovery to the Commodity Credit.

The CHAIRMAN. Now, the next column, which is column No. 8—we have discussed it partially—loans for multilateral trade and economic development.

You sell the goods to the country, and you loan that to them and take a note for it, and they use that for economic development in the same manner as they use grants or other loans, or what have you, that we make under the foreign aid program. Am I correct in that?

Mr. BUTZ. That is correct.

The CHAIRMAN. So that is supplemental foreign aid.

Now, international education exchange. That is 0.8—almost \$15 million. Is that in the Fulbright program?

Mr. BUTZ. It is an extension of the Fulbright program, authorized last year, and amendments that Congress made to the act.

The CHAIRMAN. And it is supplemental to what we did last year?

Mr. BUTZ. Yes, sir.

The CHAIRMAN. And then I notice, translation and publication, \$1.75 million—0.1 percent of the amount. Will you explain that item to us?

Mr. GARNETT. Well, this was provided in an amendment to last year's extension. It paid for the translation of United States publications, their printing and distribution in foreign countries.

The CHAIRMAN. So that this amount is supplemental to what USI gets from the Congress?

Mr. GARNETT. That is correct; to provide additional services.

The CHAIRMAN. All right; I understand. I just want to make it plain.

Senator HICKENLOOPER. Mr. Chairman, may I ask if that is reimbursable from USI?

The CHAIRMAN. No; that is in addition. Information and education, \$4.6 million—0.2 of 1 percent of the amount.

Now, as I understand, that is to help colleges abroad which have been established?

Mr. GARNETT. American-established colleges and universities abroad; yes, sir.

The CHAIRMAN. Now, you want to watch that program grow.

Senator HUMPHREY. Which one is that, Mr. Chairman?

The CHAIRMAN. The last one, the 11th column.

Senator YOUNG. Mr. Chairman, may I ask: Are all these programs now charged as a price support operational loss to Agriculture? When we subsidize a college in a foreign country, does that finally come back as a cost to the farm programs?

Mr. GARNETT. I am not trying to dodge your question, I just want to—this would be one of the uses of the currencies. All of 480, that is, all CCC assets used under this program are automatically—this is an automatic authorization, and it will be appropriated to restore the capital for all amounts of CCC programing under this authority.

Senator YOUNG. But there isn't any recovery for these programs, and in fact, they are really foreign assistance programs. But in your Department of Agriculture budget, you list this as a cost of operating the Department of Agriculture price support programs, don't you?

Mr. GARNETT. The total 480 program is listed as a cost.

Senator SYMINGTON. Will the Senator yield?

In other words, if I follow what Senator Young wants to know, if we put platinum into the stockpile, we consider it an asset to the United States Government, and so express it. But if we build something abroad instead of using the dollars for platinum, we consider that a debit against the Agriculture program; is that correct?

Senator YOUNG. I think it shows up that way.

Mr. BUTZ. There would be no recovery of the CCC for that; you are right.

Senator THYE. Mr. Chairman, it is unfortunate for Agriculture that such tabulations have been made, showing that all expenditures under Public Law 480 have been charged to the foreign support program. I have seen it and I have heard speakers refer to it. It is most unfortunate because it is placing the agriculture—the entire agricultural economy—under a false obligation.

Mr. BUTZ. I think, Senator, you make a good point. However, let me point out, in the preparation of the total on page 23, we are following the breakdown in the act itself, where it lists the 10 specific uses that may be made of foreign currencies, and this is simply a report to the Congress following the legislative authorization setup.

I think it proper to point out, though, that something more than the payment of United States obligations, total of 24 percent, is really used for United States purposes. For example, the first column, market development, is a United States use just as surely as the payment of United States obligations abroad. And I think the very useful expenditure of funds—

The CHAIRMAN. Why is that charged to Agriculture?

Mr. BUTZ. You say why is it charged?

The CHAIRMAN. Why is it charged to the Agriculture Department expenditures and not to the CCC? Why don't you reimburse them?

Mr. BUTZ. We consider it to be a part of our total effort to expand markets abroad to lick this surplus program.

Senator THYE. Mr. Chairman, there are many items in here that justly and rightly should come under our so-called mutual assistance program abroad or that should come under military assistance abroad. There is no question that it should be charged to such items because those items are particular functions of our Federal international co-operation, which is getting the benefit, while the Department of Agri-

culture is having the cost charged up against it in its final report as an expenditure in the support program.

Mr. BUTZ. Senator, I agree fully, but we are following the 10 points in the law in this report.

Senator THYE. Yes, sir.

Senator HUMPHREY. Everybody has got to thinking that surplus is necessarily bad. Perhaps we should look upon some of this surplus as being good to have available. If we had a few extra H bombs laying around nobody would be writing any articles saying we have too many H bombs, and it is costing us too much and we ought not to have them.

I am of the opinion—I may be very naive about it—the few dollars that we put in here for international education, or loans for multi-lateral trade and economic development, are a lot more important to us than H bombs. And I think it is all a matter of psychology. I think we have brainwashed ourselves, almost sinfully, in talking about this abundance of agriculture as if it were a curse. I think it is about time we cleaned our thinking, and then we would not be so worried about these tables and statistics.

The CHAIRMAN. The Senator from Georgia.

Senator TALMADGE. Mr. Secretary, is it not a fact that the difference between the acquisition cost and the disposal cost, which is approximately \$900 million, is actually foreign economic aid?

Mr. BUTZ. No, I would not say that. Because if we set out by direct appropriation to accomplish the same objectives in foreign aid as we do through the use of foreign currencies, we could get it at the same price as the export value of the commodities we send abroad.

Senator TALMADGE. Doesn't it amount to a subsidy to the country to which we send it?

Mr. BUTZ. The 900 million?

Senator TALMADGE. Yes, approximately that?

Mr. BUTZ. No.

Senator HOLLAND. No.

Mr. BUTZ. No, I would not say so, because you could buy the same quantity of goods in the world market at the same price at which we ship it into the foreign countries. Therefore, it does not represent a subsidy to the receiving country.

Senator WILLIAMS. That is a readjustment of the price level down to the world market level?

Mr. BUTZ. Yes.

The CHAIRMAN. I have been referring to several tables in the report to the President, and without objection I will ask that tables 1 and 2 on page 3 be incorporated in the record at this point, as well as table 6 on page 23.

(The tables referred to are as follows:)

TABLE I.—Commodity composition of agreements signed, July–December 1956

Commodity	Unit	Approximate quantity	Export market value	CCC cost
			<i>Millions</i>	<i>Millions</i>
Wheat and wheat flour.....	Bushel.....	¹ 270,031,000	\$439.2	\$728.0
Feed grains.....	do.....	² 11,689,000	17.6	28.5
Rice.....	Hundredweight.....	8,445,000	51.4	109.8
Cotton.....	Bale.....	873,700	125.0	188.7
Tobacco.....	Pound.....	21,629,000	16.8	16.8
Dairy products.....	do.....	53,673,000	11.4	19.5
Fats and oils.....	do.....	603,405,000	92.7	92.7
Meat products.....	do.....	78,054,000	18.9	18.9
Total commodities.....			773.0	1,202.9
Ocean transportation.....			121.2	121.2
Total, including ocean transportation.....			894.2	1,324.1

¹ Wheat and wheat equivalent of flour.² Corn, 9,678,000 bushels; oats, 1,092,000 bushels; barley, 919,000 bushels.

TABLE II.—Commodity composition of all agreements signed through Dec. 31, 1956

Commodity	Unit	Approximate quantity	Export market value	CCC cost
			<i>Millions</i>	<i>Millions</i>
Wheat and wheat flour.....	Bushel.....	¹ 431,905,000	\$713.3	\$1,254.9
Feed grains.....	do.....	² 65,917,000	85.8	130.9
Rice.....	Hundredweight.....	19,012,000	120.0	236.9
Cotton.....	Bale.....	2,556,000	384.8	540.3
Cotton linters.....	do.....	15,400	.3	.3
Meat products.....	Pound.....	148,734,000	[40.3	40.3
Tobacco.....	do.....	142,828,000	[98.0	98.0
Dairy products.....	do.....	130,044,000	31.4	51.5
Fats and oils.....	do.....	1,597,977,000	248.5	257.2
Poultry.....	do.....	3,000,000	1.2	1.2
Dry edible beans.....	Hundredweight.....	37,000	.3	.3
Fruits and vegetables.....	Pound.....	89,940,000	3.1	3.1
Seeds.....	Hundredweight.....	55,000	2.5	2.5
Total commodities.....			1,729.5	2,617.4
Ocean transportation.....			208.7	208.7
Total.....			1,938.2	2,826.1

¹ Wheat and wheat equivalent of flour.² Feed wheat, 2,234,000 bushels; corn, 27,095,000 bushels; oats, 5,843,000 bushels; barley, 24,950,000 bushels; grain sorghums, 5,795,000 bushels.

TABLE VI.—Planned uses of foreign currency under title I, Public Law 480, agreements signed from beginning of program through Dec. 31, 1956¹

Country	Total amount programmed (market value including ocean transportation)	Market development (sec. 104a)	Purchase of strategic material (sec. 104b)	Military procurement (sec. 104c)	Purchase of goods for other countries ² (sec. 104d)	Grants for multilateral trade and economic development (sec. 104e)	Payment of United States obligations ³ (sec. 104f)	Loans for multilateral trade and economic development (sec. 104g)	International education exchange (sec. 104h)	Translation and publication (sec. 104i)	Information and education (sec. 104j)
Argentina.....	\$31.1	\$0.6			(²)		\$9.8	\$20.0	\$0.7		
Austria.....	28.6	.7			\$2.0		9.7	16.0	.2		
Brazil.....	180.7	2.7	\$3.2	2.0			20.1	149.2	2.1	\$0.5	\$0.9
Burma.....	21.7	.5			(²)		3.9	17.3			
Chile.....	40.1	.8					7.0	31.7	.6		
China (Taiwan).....	9.8	.7		4.9			4.2				
Colombia.....	16.9	.8			(²)		5.5	10.0	.6		
Ecuador.....	4.0	.2					4.4	3.1	.3		
Egypt.....	19.6	.5					4.7	13.6	.8		
Finland.....	24.0	.5			(²)		23.2		.3	.05	
France.....	2.1	1.2			.6		.3				
Germany.....	1.2	1.1					.1				
Greece.....	37.7	.8				\$7.5	8.9	20.5			
India 3-year program.....	4 360.1	4.0			(²)	54.0	68.0	234.1			
Indonesia.....	97.9	1.0	2.0				17.2	77.4	.3		
Iran.....	12.5	.2		5.9			3.2	2.5	.7		
Israel.....	51.6	.4			(²)		14.0	36.8	.4		
Italy.....	118.8	2.7	1.0		² 10.0		22.9	81.2			1.0
Japan.....	150.8	3.3		(⁵) 45.4	10.9		25.6	108.9	2.1		
Korea.....	59.0	.5					12.2		.9		
Netherlands.....	.28	.25					.03				
Pakistan.....	120.7	1.7		74.3			18.8	23.6	1.0	.3	1.0
Paraguay.....	3.0	.2					.5	2.2	.1		
Peru.....	13.5	.7					2.6	9.7	.5		
Portugal.....	7.1	.3					3.1	3.4	.3		
Spain.....	176.7	3.0	1.0				62.9	107.7	1.1	.5	.5
Thailand.....	2.5	.4					.65	1.0	.45		
Turkey.....	90.7	.7					41.9	45.3	1.5	.1	1.2
United Kingdom.....	27.4			(⁵) 88.8			27.4				
Yugoslavia.....	222.1	1.0					49.3	82.7		.3	
Total agreements.....	4 6 1,932.18	31.45	7.2	221.3	23.5	61.5	468.08	1,097.9	14.95	1.75	4.6
Uses as percent of total.....	100.0	1.6	.4	11.5	1.2	3.2	24.2	56.8	.8	.1	.2

¹ Amounts shown on this table are subject to adjustment when actual purchases and allocations have been made.

² Amounts shown in this column indicate a specified amount in the agreement for this use. Footnote 2 only shows an unspecified amount for possible procurement for third countries. A footnote and an amount indicate more than 1 agreement including both specified and unspecified amounts.

³ In order to provide flexibility in the use of funds, many agreements provide that a specified amount of local currency proceeds may be used under secs. 104 (a) (b), (f), (h), and (i). In some instances, possible uses under sec. 104 (d) are also included in this category. Therefore, estimates based on the best information now available are indicated above under subsecs. (a), (b), (h), and (i). Balances not otherwise distributed are included under subsec. (f). This distribution is subject to revision when allocations have been completed.

⁴ Total market value in table VI differs from total in table II by the \$6 million estimated for ocean-freight differential in the Indian agreement for which no rupee deposits will be required.

⁵ The Japanese agreement for the July-June year 1955-56 provides for the use of \$8.1 million and the United Kingdom agreements provide for the entire currency use under subsec. 104 (c). However, since in return for this currency use these countries will construct and make available to the U. S. Armed Forces an equivalent value of dependent housing, the amounts are shown under sec. 104 (f).

⁶ In some instances column totals do not add to total amount programmed because of slight differences in rounding.

Senator YOUNG. Mr. Chairman?

The CHAIRMAN. Senator Young.

Senator YOUNG. I just wanted to say that I think the Department has done a good job of disposing of surpluses through this program. My only criticism is that I think we ought to find a way of not charging many of these items to the farm program. The charge rightly belongs to some other program.

But I do believe the Department did a good job under Public Law 480.

Senator AIKEN. I wonder, Mr. Chairman, if we could not hear from the witness about what kind of a job the Department has done on reducing surpluses, and maybe let him get his 11:30 plane?

Mr. BUTZ. I just received a note and my plane is 40 minutes late.

Senator AIKEN. We may want to ask questions after he finishes his report.

The CHAIRMAN. I presume the question that Senator Aiken asks about is the one I was going to ask also, as to what affect did all of these disposals that we are talking about have on reducing the surplus?

Mr. BUTZ. Yes, I would like to discuss that if I can.

May I say, though, Senator Young, and Mr. Chairman, I think the points you have made here are well taken, and it is entirely possible that in subsequent reports, even though we do follow the classification set forth in the law of reporting this, it might be possible to call attention in a paragraph to the fact that many of these things are really for United States aid purposes abroad.

Senator YOUNG. It is very difficult for people to find out just exactly what the farm programs do cost.

Senator JOHNSTON. If you would report it that way, it would only show the facts as they exist, and that is what I think the public wants. And I know that is what I want as a Member of the Senate.

Mr. BUTZ. Yes.

Senator AIKEN. Well, for 20 years the other agencies have got all they could charged up to Agriculture because the public would accept it for agricultural purposes. Now the public is beginning to think that Agriculture is a big bad wolf in Government, and getting resentful. So I think we ought to get away from it as fast as we can and have expenditures charged to the proper agency.

Senator WILLIAMS. Mr. Butz, is it not true that the only way we could have the expenditures charged to the appropriate place is by incorporating in Public Law 480 a provision that each agency utilizing these funds would have to reimburse you out of its regular appropriations?

Mr. BUTZ. That would be one.

Senator WILLIAMS. What other way would there be?

Mr. BUTZ. On the other hand, I think if that requirement were written in the law we would find many of these agencies not utilizing funds to the extent they now use them.

Let's take military housing as a case in point?

Senator JOHNSTON. Well now, that being so, that shows they use it because they are getting something for nothing.

Senator WILLIAMS. We could tell those agencies to use it. After all, they get the money from the same source.

Mr. BUTZ. I might explain it like this. I would not say they are getting something for nothing, but they are getting something for less than the total dollar cost.

Senator JOHNSTON. That means they are getting that difference for nothing. Is that what you mean there?

Mr. BUTZ. Well, let's put it this way. In the case of military housing, I am quite sure that some military housing is being constructed that, if the United States Defense Department had to consider the priorities in the total dollars available to them in the current budget, they probably would not construct some of the housing being constructed with Public Law 480 funds.

Senator SYMINGTON. Where?

Mr. BUTZ. Oh, in England, for instance.

Senator JOHNSTON. All foreign countries?

Mr. BUTZ. Yes. But since, for example, foreign currencies are available in those countries, and they have been placed there by our Public Law 480 program as means of disposing of surpluses, it has been determined that the currencies can be used for that purpose in the total United States interest, and housing would be constructed.

What I am saying is that housing, as you well know, Mr. Symington, in a case like that would be a marginal project on the priority list that you would not spend dollars out of your current appropriations for. But if you can do it like this, and pay for it out of quota allowances over a period of years, it then becomes a super marginal project.

Senator JOHNSTON. That is true, but if they do not keep that establishment, or whatever it is, installation there, and they are not paying rent, who loses it?

Mr. BUTZ. Well, that is a moot question. In the meantime, we have gotten rid of our wheat, let us say, we have stopped our storage cost on it and it has moved into use. We have partially recovered from it, and from where I sit that is better than continuing to pay 16 cents a bushel storage on it, taking into consideration deterioration.

Senator HOLLAND. Mr. Chairman?

The CHAIRMAN. On the other hand, answering Senator Williams' question, isn't this true, that under the Mutual Security Act, section 402, as I remember, we have set aside \$500 million to be used in order to buy these commodities and spread around the various countries, instead of giving them for cash? But those countries said, "No; we cannot use that because it will affect our economy, if we let wheat come in or butter come in, it is going to affect the revenue of the farmer"—therefore we cannot use it that way. But under Public Law 480, they will take everything you give them because they do not have to pay it back.

That is what is going to happen.

Senator HOLLAND. Mr. Chairman?

The CHAIRMAN. Senator Holland.

Senator HOLLAND. I think the CCC or the Department of Agriculture ought to be commended on the very good work in disposing of the surplus, and I think the only thing we should do is instruct them that in rendering their account, they differentiate between the true losses, that is, where you sell—

Senator HUMPHREY. Correct.

Senator HOLLAND. Something in which you have an investment for less—that is a loss—and the portion of foreign currency in connection with some other activity of our Federal Government.

The CHAIRMAN. I think that has been done, Senator, if you will look at page 23 of the report. It has been stated succinctly.

Senator HOLLAND. I think, Senator, when any one has the full facts—we have not even got them fully here, and we have been trying to get them all morning—they will understand that. But the average citizen looking at this thing, I do not think would get the picture at all, unless it is specifically stated as to the items, which are not items of true loss, that they represent an investment of the proceeds of this Public Law 480 program in other fields handled by other agencies of our Government.

Senator THYE. Would the Senator yield?

Senator HOLLAND. And that could be separately accounted for.

I yield.

Senator THYE. Mr. Chairman, I think Senator Holland has given us a very clear-cut statement of what is necessary. The only way it is going to be brought to the general public is by incorporating in speeches prepared by the Department of Agriculture, some explanation of how and in what manner Public Law 480 funds have been used and not charging it up to the terrible cost of the farm support program.

That is where our trouble has been.

I have listened to 3 speeches in the last 2 weeks where they have condemned the farm program and the terrible expense involved in the farm program, but no one has ever talked about the good that the farm support program has done in its function under Public Law 480.

Mr. BUTZ. Senator, I will send you one of my speeches where I have done that very thing.

Senator THYE. I hope more is done and more publicity is given to it. We are getting adverse publicity rather than good publicity as to what farm surpluses have done in the field of international cooperation, because the cost is being charged to the farm support program in its original as well as final accounting.

Senator YOUNG. Mr. Chairman?

The CHAIRMAN. Senator Young.

Senator YOUNG. Mr. Chairman, it shows up well in this report, in this breakdown here, but you do not have this breakdown in the regular Agriculture budget. It shows what this money is used for, and what has been charged for Agriculture shows up here fairly well. However, you do not have this breakdown in the regular Agriculture budget.

That is what I am complaining about.

Mr. BUTZ. This, of course, will show up as an appropriation item for CCC capital restoration when the time comes.

Senator YOUNG. That is why I think Senator Holland's suggestion is a good one. Follow that, too, in the regular Agriculture budget.

Senator EASTLAND. Excuse me, Mr. Chairman.

Let's take this military housing now in France. Assume that \$500,000 was spent on the housing project. Would that be charged as a loss to this program?

Senator HUMPHREY. No.

Senator EASTLAND. How would it be handled?

Mr. BUTZ. That is under a barter program in the first place. In this military housing—I am sorry; I am confused.

Let's take the United Kingdom case. In that case it is recovered from quarters' allowance that the occupants of the houses pay the military, and a certain part of that is paid back to CCC in dollars, you see. And that is recoverable in dollars, assuming that the housing continues to be occupied until the loan is paid up.

Of course, we have to make that assumption.

The CHAIRMAN. That will cover a period of 40 years.

Senator EASTLAND. Let's assume it could not be recovered?

The CHAIRMAN. A loss.

Senator JOHNSTON. In the first year you will get little more than interest back, so you would lose practically the whole thing.

Senator EASTLAND. Not a loss——

Mr. BUTZ. If it is not recovered, it is a loss except we have stopped the storage charge on wheat and various other things.

Senator HOLLAND. It is not a loss, there is a physical asset that belongs to the Government.

Senator SYMINGTON. Even if it is a loss, it is not a loss to Agriculture.

The CHAIRMAN. It could become a total loss. Suppose we move out of England in the next 5 years, and this is repayable in 40 years. Under the agreement that was signed all of the houses go to the English Government.

Senator SYMINGTON. Mr. Chairman, of course it is a loss to the American taxpayers, but it is not a loss to be established against the Department of Agriculture. The latter is not identified with military housing in England.

Senator TALMADGE. It should be charged to military defense.

Senator EASTLAND. Certainly.

Senator HOLLAND. You are exactly right about that.

The CHAIRMAN. There is no doubt about it.

Mr. BUTZ. But may I point out, though, if we charge it to the Defense budget, Defense may decide not to do it.

Senator SYMINGTON. That then would or would not be an overall administrative error.

The CHAIRMAN. They ought to do it.

Mr. BUTZ. If I may proceed, I want to make a little report on what we have been doing. I am referring now to page 5 of my prepared statement.

I said a moment ago we have programs of approximately \$2.9 billion under a \$1 billion authorization. So far we have actually exported about \$1 billion worth of commodities at export market value. By the end of the current fiscal year, our shipments will total about \$1.2 billion.

A large portion of the unshipped balance on June 30, 1957, will represent the 1958 and 1959 programs with India and Brazil under their 3-year agreements.

Fiscal year 1956 was the first full year of title I operations. During that year, about \$427 million worth of commodities was exported or 12 percent of total United States agricultural exports. Shipments this fiscal year are averaging about \$60 million per month and are expected to comprise about 16 percent of our total agricultural exports which are expected to establish a new record.

Senator HUMPHREY. Dr. Butz, at this point, is it not true that our regular exports, over and above and exclusive of Public Law 480 exports, are about at an all-time high.

Mr. BUTZ. Yes, sir; we have maintained our regular dollar exports, and on top of that put the Public Law 480 exports.

Senator HUMPHREY. This trade development or this market development fund that you mentioned a while ago, is directed, as I recall, toward maintenance of a high level of normal exports?

Mr. BUTZ. Yes, sir; and I was—

Senator HUMPHREY. And improving and finding new markets?

Mr. BUTZ. Yes, sir; and I would say that administration of this entire program is directed toward protecting and expanding our dollar market abroad. That is our first priority.

Senator HUMPHREY. Many times through a Public Law 480 sale haven't you found you can break into a market that you may have lost once before, or never was available?

Mr. BUTZ. Yes, sir.

Senator HUMPHREY. Isn't this particularly true with certain types of commodities that were not normally consumed in some areas, where they develop new eating habits, or use habits? Sometimes isn't it fiber that they did not have before?

Mr. BUTZ. Yes, sir; it is our hope to administer this so that that happens.

Senator HUMPHREY. I think you have been doing a pretty good job at it.

Mr. BUTZ. Senator, I appreciate that statement from the junior Senator from Minnesota.

Senator HUMPHREY. Thank you. I want you to know—

Senator HOLLAND. The senior Senator from Florida joins in that.

Senator YOUNG. Off the record.

(Discussion off the record.)

Senator HOLLAND. I would not want the record to show that only the grain-producing States are affected. Because Canada is one of the large customers in the purchase of fruit, and immediately there is reflected in the reduced purchasing of fruit an ill will or lack of funds, or any other reduction in their general trading possibilities, so that everyone feels it. It is not just the wheat States.

Senator JOHNSTON. Speaking of wheat, and the reason it was mentioned is that they have such a large amount of wheat in Canada they have to look to the foreign markets far more than we do.

Senator HOLLAND. We are all in the same boat, whether we raise wheat or not.

Senator YOUNG. That is what makes the problem difficult. Canada does not have any restrictions on production that we have here.

Mr. BUTZ. Canada has no restrictions on production. They have restriction on marketing, however, which is about the same thing.

Senator HUMPHREY. I think we must put this in proper perspective against our relationships with Canada, one of the most valuable relationships that we have. When I stop and think about the amount of money that we spend to get somebody to like us, who never even is going to say a kind word about us, and most of the time insult us, and then consider the fine relations we have with our friends up in Canada, I think we ought to be willing to maybe pay a little price for maintaining that friendship if we have to. But we should not charge it up, necessarily, to Commodity Credit.

Mr. BUTZ. Let me point out that this year our wheat export is going to be in the neighborhood of 430 million bushels. That is going

to be a very high level compared with recent years, and we have been able to accomplish this in the main by taking in markets, and without material injury to the Canadian wheat export markets.

Senator YOUNG. I do not think they have been hurt at all. In fact, they may have been helped some.

Senator HICKENLOOPER. Overall, they seem to get along pretty good. It seems to me the Canadian dollar is worth more than ours.

Senator SYMINGTON. I was going to say that our relationship is so good their dollar is worth more than ours. Off the record.

(Discussion off the record.)

Senator EASTLAND. Dr. Butz, when you finish a deal with a country like, you say, Italy——

Mr. BUTZ. Louder, please.

Senator EASTLAND. I say, when you finish a deal, like Italy, let them have commodities for Italian currency, does the State Department take it up then with every other exporting country in the world that is exporting that commodity—let's assume it is wheat—and ask permission if we should——

Mr. BUTZ. Yes, we have been following the policy of consultation with the major exporting countries that would be affected after the deal is made. They do not become a party to the deal itself, but we consult with them after the deal is made.

Senator JOHNSTON. Would they take up with us every time they get ready to make a deal?

Mr. BUTZ. Not every time. In some cases they do. If it is a concessional sale—these are concessional sales we are making, you see—if they make a concessional sale, we usually follow up on it.

Senator YOUNG. They sell to Iron Curtain countries where we do not?

Mr. BUTZ. Yes, sir. And I would say in the case of Canada, for instance, when she makes her sale to Iron Curtain countries, as she did last year, our people are usually fully advised of that.

Senator AIKEN. Well, the Canadian-United States wheat supply has really got to be considered almost as one pool anyway.

Mr. BUTZ. Yes, sir.

If I may proceed, now, I would like to turn over to page 6, in just a brief summary as to what this has meant to the commodities.

In wheat we have programed more than 430 million bushels of wheat and wheat flour and about 270 million bushels were included in agreements signed during the past 7 months. It appears for the first time in several years there will be a reduction of carryover cost of wheat this year.

The CHAIRMAN. To what extent?

Mr. BUTZ. We do not have that, but in the neighborhood of 50 million to 70 million bushels.

The CHAIRMAN. Less?

Mr. BUTZ. At the end of the year less than we had at the start of the year.

This will be a combination of the soil bank and stepped-up export program. We expect our wheat exports to hit in the neighborhood of 450 million bushels. Last year there was 344 million bushels.

The CHAIRMAN. How much of that is actually attributable to the Public Law 480 program?

Mr. BUTZ. Well, 27 to 30 percent of our wheat exported this year is under 480. We try as best we can to make sure that is an additional sale, because one of our first obligations is to protect the dollar markets.

Senator HUMPHREY. That is right.

The CHAIRMAN. Can you prepare for us, for the record, what the amount of wheat and corn and other grains and so forth were when the program started and what it is now at the end of last year?

Mr. BUTZ. Yes, Senator. We will put that in the record.

And would it be helpful if we also included the table showing the percentage of total exports in the last year that came from Public Law 480, the sources—

The CHAIRMAN. What I had in mind, and I am sure the committee would like to find out; we would like to have what you can attribute to Public Law 480. Not the soil bank or any other program, but solely to Public Law 480, because that is what we are dealing with now.

Mr. BUTZ. Yes, sir; we will prepare such a table.

(The information is as follows:)

*Quantities of major commodities held by Commodity Credit Corporation
(inventory and under loan)*

Commodity	Unit	June 30, 1955	June 30, 1956	June 30, 1957 ¹
		<i>Millions</i>	<i>Millions</i>	<i>Millions</i>
Wheat.....	Bushel.....	991.0	996.0	891.0
Corn.....	do.....	881.0	1,125.0	1,324.0
Cotton.....	Bale.....	8.2	12.9	10.8
Tobacco.....	Pound.....	797.0	867.0	947.0
Rice.....	Hundredweight.....	14.8	25.1	15.0
Soybeans.....	Bushel.....	14.6	2	2.0

¹ Estimated. These estimates included in CCC budget presentation. Estimates now being revised.

*Exports of major agricultural commodities (including title I, Public Law 480
portion)*

Commodity	Unit	Fiscal year 1955			Fiscal year 1956			Fiscal year 1957 ¹		
		Total	Title I	Per- cent of total	Total	Title I	Per- cent of total	Total	Title I	Per- cent of total
		<i>Millions</i>	<i>Millions</i>		<i>Millions</i>	<i>Millions</i>		<i>Millions</i>	<i>Millions</i>	
Wheat.....	Bushel.....	275.0	24.0	8.6	341.0	93.0	27	450.0	150.0	33
Cotton.....	Bale.....	3.8	.06	1.5	2.2	.5	22	6.5	1.5	23
Tobacco.....	Pound.....	462.0	5.5	1.2	578.0	71.0	12	500.0	55.0	11
Rice.....	do.....	893.0			1,111.0	263.0	24	2,500.0	1,600.0	64
Vegetable oil.....	do.....	661.0	51.0	7.7	1,023.0	483.0	47	1,400.0	700.0	50

¹ Estimated.

Mr. BUTZ. In the case of cotton, we have included more than 2.5 million bales of cotton in Public Law 480 deals. We expect this year to get a reduction in our carryover of cotton for the first time in some years, of perhaps 2 million bales. That is attributable both to Public Law 480 sales, and greatly stepped up export sales for dollars, of course, in the last year where we moved over 6 million bales for dollars.

In the case of rice—

Senator HOLLAND. Just a minute, I do not think Senator Eastland heard that. I think he is entitled to get a little kick from that.

Mr. BUTZ. I was just saying, in the case of cotton, Senator Eastland, we have included 21½ million bales of cotton in title I deals. This year it looks like our total cotton sales program, including sales for dollars under the export program we have had, plus the Public Law 480 programs, will reduce our cotton carryover by some 2 million bales.

Senator EASTLAND. Well, I think it is going to be more than that.

Mr. BUTZ. We hope you are correct.

Senator HOLLAND. That is a fine result, isn't it?

Senator EASTLAND. Certainly.

Senator SYMINGTON. Are you going to raise the export price on cotton? [Laughter.]

The CHAIRMAN. Why shouldn't we, why shouldn't we get all we can out of it?

Senator EASTLAND. Because we would not sell it.

Mr. BUTZ. I cannot answer that until the bids come in, and they have been properly analyzed.

Senator SYMINGTON. Mr. Chairman, do you think that was fair? [Laughter.]

Mr. BUTZ. In the case of rice, we have committed for shipment all of our CCC stocks accumulated in the 1953, 1954 and 1955 crops.

I recall a year and a half ago it looked like this rice problem was almost insoluble, and we have now moved all the stocks abroad except that that we took over from the 1956 crop.

Rice exports this year expect to reach a record level of 25 million bags, and we are going to ship about 16 million of those under title I.

The CHAIRMAN. How much will you have on hand as a carryover? Have you the figure there?

Mr. BUTZ. We do not expect much carryover, do we? About 8 million bags.

The CHAIRMAN. How much?

Mr. RAYMOND A. IOANES (Foreign Agricultural Service). At the beginning of the year the stock was about 25 million bags—

The CHAIRMAN. Down to eight?

Mr. IOANES. About.

The CHAIRMAN. What is the normal amount of carryover?

Mr. IOANES. Apparently a little under. Eight is still a pretty good figure, I would guess, to estimate.

Mr. BUTZ. I am interested in the chairman's comment that he would feel happier if this were sold for dollars, and so would we. But I would like to point out, Mr. Chairman, that the rice-eating populations of the world tend to be concentrated in those parts of the world where dollars are scarce.

Senator HUMPHREY. I have just never been able to understand how you are going to sell everything for dollars when we have all of them, I mean, practically all of them. That is some kind of cockeyed economics that somebody has thrust upon us that I have never been quite able to figure out. There happens to be other kinds of currency in the world, and if we are not able to use that, it is just our hard luck.

How are you going to be able to sell every thing for dollars when you are unwilling to do enough international trade with other people to get the dollars?

The CHAIRMAN. When I said "dollars," I really meant value, something that we can use ourselves without "ifs" and "ands." That is what I had in mind.

Senator HOLLAND. Mr. Chairman, that is a problem we have to solve when we get rid of surplus.

The CHAIRMAN. You can get rid of it many other ways than under Public Law 480.

Senator HOLLAND. This is a good sound way, though.

The CHAIRMAN. You can do it right here at home.

Let's proceed.

Mr. BUTZ. Gentlemen, on the top of page 7 now just a brief word about cottonseed oil and soybean oil.

More than 1.2 billion pounds of cottonseed oil and soybean oil have been included in title I agreements, of which about 900 million pounds have been exported.

Two years ago we had a substantial inventory of cottonseed oil in CCC, which has been entirely moved. We have programed a lot of soybean oil in recent months which will minimize our problem in the soybean takeover at the expiration of the current loan program on May 31.

The CHAIRMAN. You do not expect any takeover of soybean oil and cottonseed oil?

Mr. BUTZ. No takeover of cottonseed oil. There may be some soybeans available under the loan at the takeover period. But the amount will be much smaller because we have sold soybean oil in recent months under 480.

The CHAIRMAN. As I understand, Mr. Garnett, the way the soybean oil and other fats and oils are handled, they are not taken over by CCC; what you do is to find out where your regular sales can be effected for cash, and then you take the difference between what you sell and what you make and then let that be sold by the regular trade, the same as you do wheat now, and the exporters get paid in dollars and we take the local currency of the country where the product is sold. Isn't that right? So that is why soybeans are not in trouble today, and the same is true in the case of cottonseed and other related products. Yet the losses sustained under fats and oils is quite considerable, is it not?

Mr. GARNETT. Yes, sir.

Senator HUMPHREY. Mr. Butz, isn't it possible, if you fulfill the program requests, the requests that you have pending——

Mr. BUTZ. The country requests?

Senator HUMPHREY. That you would not have to take over any beans?

Mr. BUTZ. We would take over a few.

Senator HUMPHREY. Not very many?

Mr. BUTZ. One of our problems is we are running out of money.

Senator HUMPHREY. For example, you have less than \$100 million now that is not programed?

Mr. BUTZ. Correct.

Senator HUMPHREY. Some of that you have set aside for an area that is somewhat controversial, the Polish?

Mr. BUTZ. Correct.

Senator HUMPHREY. But if you were able to release that money and utilize that in your vegetable oil program, you would bolster market

prices which have dipped here, recently, quite badly, as a matter of fact.

Mr. BUTZ. Yes, sir.

Senator HUMPHREY. At the same time you would possibly not take over as many beans under your takeover program following a loan expiration, is that correct?

Mr. BUTZ. Yes; I think you are correct.

Senator HUMPHREY. I would hope you would do that.

The CHAIRMAN. Senator, what I was trying to point out was that the soybean market has remained steady because of the method used to handle it. Instead of the Commodity Credit Corporation taking it over, as they do cotton, let's say, and then selling the cotton they have under loan, these soybean excesses are sold direct by the exporter to the importers and without the Commodity Credit taking them over.

But when the exporters get currencies from the countries where these fats and oils are sold, we in turn give them cash for it.

Mr. BUTZ. That is correct.

The CHAIRMAN. That is something I would like to see done for all commodities. Some of us feel this is a good way to improve this program, and it is being done stage by stage.

Mr. BUTZ. Yes; it is being done for wheat.

The CHAIRMAN. The only one that is not being done is cotton.

Senator HUMPHREY. Correct.

The CHAIRMAN. And I cannot see any reason why it could not be done for cotton for the simple reason it is foolish for us to take cotton and put it in hock, as it were, and then take the cotton that is in hock and let the Commodity Credit Corporation sell that. You could save all that cost, the same as you do in wheat, and I hope you look into that and have this thing corrected soon.

Mr. BUTZ. Senator, as you know, there was much support for your point of view. But some members of your committee were opposed.

The CHAIRMAN. Oh, I know 1 or 2—1 or 2. [Laughter.]

Then you have the Farm Bureau opposing it, too, and they talk one way and then act the other. I know all about that. [Laughter.]

Senator EASTLAND. The Cotton Council, too.

The CHAIRMAN. All right; let's proceed.

Senator HUMPHREY. I just want to ask Dr. Butz: Are you contemplating pursuing the same program for soybean oil in its present situation? You have some money—

Mr. BUTZ. Yes; we have.

Senator HUMPHREY. You still have some requests there now, and you could very well pursue these sales if you released that block of money which you have set aside for Polish aid.

Mr. BUTZ. Yes, and even so we have some soybean oil deals in the making right now.

Senator HUMPHREY. That would be very good. I hope you will rush them to completion. The bean market needs it.

Mr. BUTZ. Mr. Chairman, we have also programed other commodities under this, 140 million pounds of tobacco; 150 million pounds of meat products; 200 million pounds of lard; 75 million bushels of feed grains; 130 million pounds of dairy products; 80 million pounds of fruits and vegetables, and small quantities of other commodities.

Senator HOLLAND. Mr. Chairman, right on that point, I am glad that some fruits and vegetables have been moved. We feel that not nearly so many have been moved as should.

The United States National Fruit Export Council has wired me this morning asking that, when we report this bill, we possibly put in the bill that we put in the report last time to the effect that the fruit and vegetable industries have a continuous need for the export of certain varieties, various sizes and specifications, irrespective of whether or not a total surplus exists, if any balanced marketing program is to be sustained. In other words, certain off sizes and off grades and so forth for which there is not any acceptable domestic market, but which are always eagerly needed elsewhere.

I will not press the point at this time, but I want to say to Dr. Butz, while he is here, that that is the urgent request of the Export Council, which comes from the Pacific coast, incidentally, and not from my State.

And secondly, another thing that they tell me is that there is continuous fighting on the part of somebody over there to exclude fruits, keep them continuously worried as to whether or not fruits are to be brought under.

Dr. Butz, would you care to comment on that?

Mr. BUTZ. I would be glad to, Senator Holland. You are quite right, this has been a controversial matter in the executive branch of the Government. I think it has been satisfactorily resolved. There are three categories of commodities for inclusion under Public Law 480. One is commodities actually owned by CCC. There is no question about their inclusion. The second is that group of commodities under price support, but not in CCC ownership. Soybeans being a case in point.

The CHAIRMAN. Right.

Mr. BUTZ. The third is that class of commodities neither owned by CCC nor under price support. Fruits and vegetables being a case in point. As you well know, when we program a commodity under Public Law 480, title I, that is not in CCC ownership, dollars are spent from the current year's budget to purchase those and put them into the title I program. If we take commodities out of CCC inventory, the dollars have already been spent, and we are simply liquidating surpluses which have been accumulated.

Therefore, it is understandable, as Government policy in an effort to keep some kind of budgetary control in the overall budget, that there is inevitably pressure and sentiment to emphasize CCC-owned commodities first in the programing of title I deals, and, secondly, to emphasize those commodities that might come into CCC if you do not program them under a title I deal.

But it has been determined now at top levels of Government that all three classes of commodities are eligible for title I, Public Law 480. It will be our policy, however, to exercise some restraint in the programing of the third classification of commodities as well as the second class of commodities. We recognize fully that to exclude any group of agricultural commodities from eligibility under title I exerts a strong pressure back of those producer groups to go under price support. That would not be good.

Therefore, it would be our policy, Senator, to watch all these commodities carefully, including all your fruits and vegetables, and if

and when they get into distress, or it appears they may get into distress, and there is opportunity to program them in a country program to some country that needs them—and as you know, there are countries that would use them—

Senator HOLLAND. Finland and Austria.

Mr. BUTZ. Yes, sir. Then they will be as seriously considered as any other commodity for inclusion in a title I deal.

Senator HOLLAND. There is no doubt, now, under the official interpretation, that fruits and vegetables are eligible when they are in surplus, or there is a reasonable indication that they are about to be?

Mr. BUTZ. You are correct. I feel we have the legislative authorization now to do what you mentioned, based on the report you made last year.

Senator HOLLAND. And, secondly, you do not think that any industry should be penalized simply because it does not ask for price support, or has not permitted its product to get into Government hands or be supported by Government loans?

Mr. BUTZ. You are right. On the contrary, I think the fruit and vegetable industry is to be congratulated for the very fine job they have done in merchandising their product with a minimum of governmental assistance.

Senator HOLLAND. Then you would have no objection to spelling this out even more fully in the act itself than we did heretofore?

Mr. BUTZ. No objection. I do not think it is necessary.

Senator AIKEN. I think it is important to put more emphasis on fruits and vegetables for another reason. That is because so many of our fine farms numbering in the hundreds of thousands have become uneconomic for the production of livestock or basic commodities, but would be fully economic for the production of fruits and vegetables if markets could be developed for them.

Senator WILLIAMS. Mr. Butz, in line with the question raised by Senator Holland, I have had many connected with the poultry industry who have come back after talking with the Department and said they were left with the definite understanding that the Department was not interested in helping them promote the expansion of markets abroad, but more interested in forcing the industry under a price-support program or in forcing them to ask for it.

Mr. BUTZ. I am sorry they got that impression.

Senator WILLIAMS. And they left with it. I notice your sales have been 3 million pounds, and you have gotten all of your money back. There has been no loss whatever sustained in it.

That same thing is true with your fruits and vegetables. I was wondering if the Department was adverse to moving those agricultural commodities which are in surplus and upon which you can get your money back, or whether you are more interested in moving those on which you get losses. I do not see, when you get your money back for these, why you do not at least lend more encouragement toward expanding those markets abroad.

Many connected with the industry got the definite understanding you would rather restrict the exports than to encourage them. In fact, with respect to some of the South American countries, some of the fellows have told me they have been able to get orders themselves but that they could not even get cleared by the State Department.

There has been quite a disappointment on the part of that industry in your failure to give more attention to this industry.

They were wondering if the Department was trying to force the industry under a price support program?

Mr. BUTZ. I am sorry anybody got that impression, Senator. We did have a poultry program last year with Germany, a small one, \$1.2 million. We had an egg program, I believe, with Spain a year ago.

A part of the problem, of course, is finding countries who want to take poultry products because they have their own producers.

But I want to state categorically that I know of no instance where a commercial exporter got an order abroad that he was prohibited by any agency of the United States Government from consummating the deal.

Senator WILLIAMS. They were not given much assistance or encouragement in getting it moving, and certainly there has not been much done on the part of the Department because if I understand correctly, you have only negotiated one deal.

Mr. BUTZ. One on poultry, that is correct.

Senator HUMPHREY. How many on meats?

Mr. BUTZ. Sir?

Senator HUMPHREY. How many on meats?

Mr. GARNETT. About five.

Mr. BUTZ. A very small number. We had a sale of beef to Israel, Greece, and I believe Spain.

Senator HUMPHREY. Those are eligible under the same terms as fruits and vegetables?

Mr. BUTZ. Yes, sir.

Senator HUMPHREY. These perishable commodities we discussed last year are all eligible under this program?

Mr. BUTZ. Yes.

Senator HOLLAND. I want to make it perfectly clear for the record, Mr. Chairman, that most of the fruits that have been moved have been dried fruits, and fruits that do not come from my State at all. But I want to put it in an all-in-one basket.

And may I say now for the record there is much skepticism in my State right now, because up to last week, or a few days ago, citrus has been held not to be in surplus, and there was an order here about that time that it was in surplus. And many of our people think it happened just at the right time before this act comes up for extension.

Do you care to make any comment about that, Dr. Butz, or Mr. Garnett?

Mr. BUTZ. Let me state—

Senator HOLLAND. The facts have not changed. Our industry has known what the situation was all along.

Mr. BUTZ. Let me state for the record, and you may spread it and forward it if you care, that citrus has been determined to be eligible if and when it gets into such a situation that it should be programed. I think at the present time oranges are selling for, if my memory is correct, an average-across-the-United-States price of 83 percent of parity. It has been substantially better than that.

There has been a problem developing with Valencia's in California. I think your Florida oranges are not any particular problem yet.

Senator HOLLAND. Grapefruit is our worst problem.

Mr. BUTZ. Citrus is eligible.

Senator HOLLAND. And grapefruit was held to be in surplus—when, what date?

Mr. BUTZ. It was one of the items we fought over. I cannot recall the date.

Senator HOLLAND. Last week, wasn't it?

Mr. BUTZ. Some time last month.

Senator WILLIAMS. Poultry has been in surplus for a year and a half.

Senator HOLLAND. Three weeks. Mr. Chairman, I apologize. It was 3 weeks ago.

Senator WILLIAMS. One further thought, Mr. Butz: Poultry has been in surplus, and the farmer has been losing money on it for about a year and 4 months, close to a year and a half. The egg producers in the West now are in trouble. Certainly you have had every excuse, as far as programing has been concerned. What our farmers are complaining about is, rather than recognizing that and helping them, they feel the Department is trying to force them under the price program. We are also getting an awful lot of complaints on the fact that agencies of the Government are going all over the country and encouraging the expansion of the poultry industry and underwriting the building of houses and financing and growing of chickens in competition with the surplus market. We are having a hard time explaining the maneuvers of the Department of Agriculture.

Mr. BUTZ. Senator, I was not aware we were trying to encourage the expansion of the chicken industry. I thought all the statements of the Secretary were to the contrary.

Senator WILLIAMS. They are to the contrary, but if you will check the action of the lending agency departments, you will find that I am correct. The Federal Housing Administration tell me they were making loans with the approval of the Department of Agriculture. You have five lending agencies out now encouraging the expansion of an industry about which the Secretary is saying there is an overexpansion.

I hope you will reverse this contradictory policy before you finish bankrupting this industry.

Senator HUMPHREY. Don't you think these feed companies are doing a little bit better job on expansion than the Department is?

Senator WILLIAMS. They are all expanding too fast and when we find it being done with Government money then it is even harder to understand.

Senator HUMPHREY. I do not want to mention any companies, but the information I get is they are doing mighty good stimulating all the way.

Senator WILLIAMS. They are, there isn't any question about it.

Mr. BUTZ. It is a highly integrated industry.

Senator HUMPHREY. Highly integrated. I think it might be subject to a little Department of Justice scrutiny.

Senator WILLIAMS. You will find the United States Government is underwriting a lot of this expansion.

The CHAIRMAN. Dr. Butz, in order to clarify a statement made by Senator Williams a moment ago, that poultry did not cost the Commodity Credit Corporation any thing because the export market was equal to the CCC cost, this poultry was sold, however, for foreign currencies?

Mr. BUTZ. Sold for market promotion.

The CHAIRMAN. That is right, and used in the same manner as is indicated on the table appearing on page 23 of the report to the President?

Mr. BUTZ. Used for market promotion.

The CHAIRMAN. The same thing applies to fruits and vegetables wherein it is shown that the Commodity Credit Corporation sold for 3.1 and the export market is 3.1. But those commodities were sold for foreign currencies?

Mr. BUTZ. Yes, and cost dollars in the current market.

The CHAIRMAN. All right. Senator Talmadge?

Senator TALMADGE. Mr. Chairman, I would like to ask the Secretary a couple of questions.

First, the distinguished Senator from Minnesota, Mr. Humphrey, has made the charge, which is truly the most amazing thing I have ever heard in Government, that we could have traded surplus farm commodities for platinum and failed and refused to do so.

Do you need additional legislative authority to engage in such barter transactions?

Mr. BUTZ. No, sir.

Senator TALMADGE. You have that authority now?

Mr. BUTZ. Yes, sir.

Senator TALMADGE. Second, I notice on table 6 of this report here—planned uses of foreign currency under title I, Public Law 480, agreements signed from beginning of program through December 31, 1957—that obviously a considerable part of this money which has been charged to the farm support program is used for other purposes such as foreign military defense and economic aid.

Do you need any additional legislative authority to record that as being chargeable to the particular item, on which it was used, rather than to farm support?

Mr. BUTZ. No, sir; I think we have reported it for the item that it was used for. We have just not called attention specifically to the fact, as Senator Young pointed out a moment ago, that this really was a mutual security use.

Senator TALMADGE. Charged to farm support price?

Mr. BUTZ. But table 6 reports specifically that it was used for those 10 different classifications which the act sets up.

Senator TALMADGE. It would take an audit, though, of the Senate Investigation Committee to ascertain that fact?

Mr. BUTZ. I think we can correct that in subsequent reports by the language in the reports.

Senator TALMADGE. What do you need to charge it up to the particular items for which it is used?

Mr. BUTZ. I think we have charged it up to the items it is used for. We call it international educational exchange.

Senator TALMADGE. This committee knows this, but outside of this committee and you and three or four more, no one else in the country knows it. We ought to have an accounting procedure whereby it could be charged to the proper use.

Mr. BUTZ. I think, Senator, you do not want an accounting procedure as much as you want a change in emphasis in the information program.

Mr. Garnett has a comment on that. Can I have Mr. Garnett comment on it?

Senator SYMINGTON. I believe the Senator from Georgia is entirely correct. For some reason most departments in the Government are ashamed about unnecessary expense. But the more that is charged to the Department of Agriculture, it begins to appear the better the Department likes it, because it shows the program is too expensive, and the Department is against the program.

Now that may be oversimplification, but if I follow what Senator Talmadge is getting at, it is that when these moneys are used in the interest of the other departments of the Government, that is where they should be charged to those departments and not against the farmer, and the public should so know.

Mr. BUTZ. Well I think, Senator, it is not right to say the Department of Agriculture is interested in and proud of waste. Certainly we are not. I think the only way you can get at the thing that you are mentioning is to rewrite the legislation so that we get full reimbursement for these other uses.

Senator SYMINGTON. There has been tremendous protest from the Department of Agriculture about the cost of these programs to the taxpayer, and about the fact they are unnecessary, inadvisable in support to the farmer. If some of these expenses are going to help the Department of Defense, and as I know, in at least some cases the Department of State, and are not properly applicable to the Department of Agriculture that should be known by the people, as well as by the Department of Agriculture and a few people in the Congress.

Senator JOHNSTON. Does this table really show all of it? Isn't it true that the people that are handling this 480 are all employed by the Agriculture Department and paid out of their funds, too?

Mr. BUTZ. In the main that is correct, Senator. There are other departments interested in this. Of course, the ICA administers the loan funds abroad. We have an interagency committee with State, Commerce, ICA, and the Budget Bureau on this, but in the main the Department of Agriculture personnel do this.

Senator JOHNSTON. So that builds up your cost in your Department also?

Mr. BUTZ. Yes, sir.

Senator SCHOEPPPEL. Mr. Chairman?

The CHAIRMAN. Senator Schoeppel.

Senator SCHOEPPPEL. I would like to ask Dr. Butz, with reference to his other commodities, the statement wherein you have 75 million bushels of feed grains, where is your principal market at the present time, or the demand or the request for those type of commodities, and do you anticipate an increase on that demand?

Mr. BUTZ. Mr. Garnett, please?

Mr. GARNETT. Senator, for the most part the market for feed grains is in the northern European countries. Those are the only countries that have a high enough standard of living in order to include very much animal products in their diet. Those countries are on a dollar basis, and about all of the grains that are moving—there is no limitation on funds, they buy and pay with dollars all that they can sell internally, and we have not urged 480 action in those countries.

Senator SCHOEPPPEL. You have not urged 480 transactions in those countries of this type of grain?

Mr. GARNETT. That is right, sir. Well, those are dollar countries; 480 transactions in those countries would be a displacement of our dollar markets.

Senator JOHNSTON. Have you had any corn under your 480 program?

Mr. GARNETT. Yes, sir; we have had about 75 million bushels of feed grain—

Senator JOHNSTON. And some of that is corn. Do you have any corn at the present time in storage that is in bad condition?

Mr. BUTZ. Very, very little.

Senator THYE. How much under Public Law 480 has gone into dairy products?

The CHAIRMAN. Page 3, Senator.

Senator HOLLAND. 130 million pounds.

The CHAIRMAN. 130 million pounds—\$31.4 million. A loss of \$20 million.

Senator THYE. Going to what countries?

Mr. GARNETT. Dairy products are in many of the 30 countries. Dairy products are included in all of the 30 countries except Argentina, Colombia, France, Germany—

Mr. BUTZ. Senator, look on page 18 of this semiannual report, and you will see it broken down by countries.

Senator THYE. Thank you very much, Mr. Chairman.

Senator HOLLAND. Mr. Chairman, to go back to the suggestion I made a while ago, I think this whole thing will be made clearer by the method of accounting, and one paragraph summing up the accounting, to say that so much loss was sustained due to the fact that the world price was less than the investment that the Commodity Credit Corporation had, and that shows, of course—you can figure it out yourself—that so much of the proceeds were reimbursable from other agencies, naming the agencies and the amounts; that so much was used in objectives where the other agencies were not authorized to reimburse.

The CHAIRMAN. You recall that when Dr. Butz started testifying at 10 o'clock, he said that he had a plane to make at 12:10. He just gave me a note that he would like to leave in 10 minutes, if possible.

Mr. BUTZ. My staff will remain.

The CHAIRMAN. The staff will remain here to answer any questions.

Mr. BUTZ. Can I say what we would like? We have not gotten down to what we think we need.

There is a recommendation before the committee, as you know, and a bill. As a matter of fact, you have three bills here. What we would like is a 1-year extension of this act. At the present time it is due to expire on June 30 this year. We would like a new authorization for \$1 billion under title I, and under title II we would like a new authorization of \$300 million, and we would like section 304 repealed.

Let me say just a word about those three. The question may be raised why we ask for only \$1 billion additional authorization under title I. That will permit us to continue programing at approximately the same rate as we have during the prior part of the act.

It will permit an increased rate of shipments over what we have had because of the items program. As I said a moment ago, only about half have actually been shipped. And the rate of shipments is increasing and will continue at an increased rate into the next year.

We have these two 3-year programs with India and Brazil, rather sizable programs, that have shipments continuing over the next 2 years, and purchase authorizations continue over the next 2 years. We feel that our first priority on exports must always continue to be sales for dollars. We must always push that hard. We feel we have been pushing it hard, and the Agriculture attachés on the whole have been pushing it hard, and the commercial interests in the country have been pushing it with considerable success.

We still regard Public Law 480 as a temporary program, not a permanent program. We think it would be unfortunate if we got the point where we adopted this as a permanent program if we could once again reestablish the commercial channels of trade and rehabilitate a two-way trade so there are sufficient dollars available, as Senator Humphrey pointed out a minute ago, to absorb the surplus production in this country.

Therefore I think, if I can continue just a moment, if we get a 1-year authorization for \$1 billion, that will surely be enough to keep us going at about the rate we have been going, if not through the entire next year, at least until the Congress gets back, when they can take another look at it.

And we feel this is the type of thing that ought to be subject to congressional review year by year, as well as public review, rather than to make a longer commitment. Now I know it is true if we get a longer commitment for an increased sum of money, we do not have to use it; it is within the discretion of the Secretary of Agriculture to use it or not to use it. But the public pressure is on to use it, as you well know, if there is no congressional restraint there.

That is the first reason and the principal reason that we are recommending a 1-year extension for \$1 billion.

In the case of the \$300 million increased authorization in title II, that will restore that total authorization to the \$500 million it was initially. There is currently approximately \$200 million remaining in title II. This will restore it to the initial authorization.

With respect to our recommendations for repeal of section 304, that will, in effect, remove the prohibition in the act against bartering with the satellite nations. We feel that the Government should have the discretionary authority to conduct barter deals with satellite nations in those cases where it is clearly to our advantage to do so.

This does not mean there is any disposition on the part of anybody in the executive branch of the Government to barter willy-nilly, but many of us feel that if we can barter a soft goods, like food or fiber, for a hard goods, like metals, it is clearly in our interest to do so even though it be with one of the satellite nations. And there have been opportunities to conduct barter deals of that kind in the last couple of years, that under the act we could not do.

Therefore, we ask for a repeal of that provision so we can have the discretion to do it when it is clearly in the interest of the United States to do so.

Senator HUMPHREY. We did that here last year, didn't we?

The CHAIRMAN. What you are really saying is if we increase it over \$1 billion, in other words, if we make it \$2 billion to \$3 billion, as some have asked, that will act as a deterrent towards us selling the goods for dollars and doing this bartering you speak of?

Mr. BUTZ. I fear it may give added impetus to many of the pressure groups to say, "Well, you have the authority, use it." We must always be careful not to displace a dollar market.

Senator HUMPHREY. Isn't the record though, Dr. Butz, that you have not displaced your dollar market? Isn't the record that, as we have expanded the authorization that you have stepped up your dollar market?

Mr. BUTZ. Yes; that is right, Senator. However, one is never sure whether the dollar market would have been stepped up more without this. I think it would be naive to say that we could put the quantity of agricultural commodities into the world market for soft currencies that we have in the last year or two without some displacement of the dollar market.

We try and hold to a minimum. But I would be the last to say there has been no displacement.

Senator HUMPHREY. Of course. But as I understand, a good share of the request that you are making now for \$1 billion is already tentatively programed?

Mr. BUTZ. No, sir. We have not programed a thing beyond our authorization. We still have \$100 million unprogramed.

Senator HUMPHREY. Well, requests are lying there for it——

Mr. BUTZ. In the sense of the signed contract. You are right. But even——

Senator HUMPHREY. I mean that you have a substantial number of requests that would total up to a good share of that billion?

Mr. BUTZ. Yes; we have also gotten requests in excess of the program as finally authorized. The requests come out big, and they must be scaled down in proportion to the maintenance of customary market dollars and the like of that. Other things being equal, they would, of course, prefer to get it for their native currency.

Senator JOHNSTON. How much tobacco have you had——

Mr. GARNETT. 124 million pounds.

The CHAIRMAN. 142,828,000—page 3.

Mr. BUTZ. Mr. Chairman, would it be agreeable if Mr. Garnett takes over? He knows all the details about this.

The CHAIRMAN. Are there any further questions?

Senator SYMINGTON. Doctor, I would like to ask one question for clarification. In effect, the concept of foreign aid is to increase the dollar market, is it not?

Mr. BUTZ. I would say there are two concepts. One is to increase the dollar market, and the other is to provide for our mutual security.

Senator SYMINGTON. I was talking about economic aid.

Mr. BUTZ. Yes.

Senator SYMINGTON. All right. Barter, people feel, in effect, reduces the dollar market. Is that right?

Mr. BUTZ. I think there is a strong tendency for it to reduce the dollar market, because in barter we do not have any control over the ultimate destination of the product, whereas, in the title I deal, we do have control over it.

Senator SYMINGTON. Then my next question is: The theory of true international trade involves universal currency, and, therefore, if you provide foreign aid in order to create a dollar market, and then two countries in their own soft currency, say, Mexico and Egypt, create

bilateral cotton arrangements among themselves, actually you are defeating the entire purpose of foreign aid for a greater purchasing power, are you not?

Mr. BUTZ. I expect it could be argued that way if their bilateral program works against the extension of—

Senator SYMINGTON. It is bound to work against it, is it not?

Mr. BUTZ. Yes.

Senator SYMINGTON. And, therefore, if you went into a barter situation in order to help the agricultural picture, you would be doing something which would be frank and open; whereas when you go into foreign aid with the premise of a dollar-market increase, and then allow countries to make bilateral agreements in their own soft currencies, actually in one case you are being candid about what you are doing and in the other case not being candid. Is that a fair analysis?

Mr. BUTZ. I am not sure I understand your point, but I think I would agree with that.

Senator SYMINGTON. Then wouldn't it be in order to agree to give foreign aid to countries only on the basis of their agreeing not to make bilateral soft-currency arrangements after they get our dollars?

Mr. BUTZ. I think that may be done. I am not familiar with the way ICA operates on that point.

The CHAIRMAN. Any further questions? Dr. Butz has asked to make a plane.

Senator HUMPHREY. Just one question. The billion-dollar authorization or expansion that you are asking, will this permit you to conduct your programing at the same rate which you have been conducting it in recent months? The reason I ask this is that in the first year or two of this program it was very slow in getting started, but now you have accelerated the rate of agreements, or number of agreements, and volume.

Mr. BUTZ. I think it will, approximately, Senator, because we have 2 very large 3-year deals. You see, they extend into the next 2 fiscal years already.

The CHAIRMAN. Any further questions?

Senator HOLLAND. I would like to ask this: If I understand you, this billion will be added to approximately \$100 million of unused authorization that you have already?

Mr. BUTZ. Yes, sir.

Senator HOLLAND. So you have \$1,100 million that you can program during the next year?

Mr. BUTZ. Yes, sir.

Senator HUMPHREY. Really the next 18 months.

Mr. BUTZ. Yes; it will go to June 30, 1958.

Senator HUMPHREY. 15 months; that is right.

Mr. BUTZ. 15 months.

The CHAIRMAN. Well, it has been agreed by almost everybody around this table that the program has worked well up to now, and if the program continues at the same rate that we are now going, why, you are satisfied with that?

Mr. BUTZ. I think we would be, because our dollar sale is picking up, and we are pushing that. That is our No. 1 priority.

The CHAIRMAN. I can well see if we increase the amount it will act as a deterrent to foreign countries to buy from us. They would expect us to trade under Public Law 480.

Senator HUMPHREY. My own feeling is that it gives you better program possibilities if you have a 2-year extension rather than a 1-year extension. This 1-year business makes it very difficult for the Department to really make good agreements and sound sales——

Senator HOLLAND. No. This billion does not have to be used in the year; it has to be programed.

Senator HUMPHREY. Programed.

Senator HOLLAND. It can be a 3-year program or a 2, but it merely has to be programed through.

Senator HUMPHREY. You say you have been running a billion dollars a year. Haven't you been programing at more than the rate of about a billion dollars a year this last year?

Mr. GARNETT. Since the beginning of the program we have averaged about a billion dollars a year programing.

Senator HUMPHREY. Since the beginning of the program?

Mr. GARNETT. Yes.

Senator HUMPHREY. Well, now, at the first year of the programing you were very slow?

Mr. GARNETT. That is right.

Senator HUMPHREY. What is the rate of programing in fiscal 1957?

Mr. GARNETT. Approximately a billion and a half.

Senator HUMPHREY. What was that?

Mr. GARNETT. Approximately a billion and a half.

Senator HUMPHREY. About a billion and a half?

Mr. GARNETT. Yes. And what Mr. Butz was saying was that a billion dollars would permit us to maintain shipments at the present rate, which is quite high. It would not permit us to program at the same rate that we have in the past. We believe that it is adequate if we maintain the shipments at the present level.

Senator HOLLAND. Your program is already made with two of your very largest fields, potential fields, Brazil and India?

Mr. GARNETT. Yes, sir.

Senator HOLLAND. They do not have to be made again in this next year, but instead will extend already over the next year and the second year. Is that right?

Mr. GARNETT. Correct; yes, sir.

Senator THYE. May I ask, Mr. Chairman, what percent of the orders of the programing to India and Pakistan have been filled?

(Discussion off the record.)

Senator HUMPHREY. Mr. Chairman, I have a strong feeling about the necessity of making this program operative to a point where it is effective.

I notice here on your own charts what has been happening in terms of your sales agreements, by 6-month periods. From July to December 1956, which is the most recent 6-month period, you were programing under sales agreements at the rate of \$1.3 billion for 6 months.

Mr. GARNETT. That was because the two very large programs were included.

Senator HUMPHREY. Then in January-June 1956, you were programing at the rate of \$790 million for 6 months. The only year that you have really been pushing the Public Law 480 sales has been this year, 1956. The record stands on its own. Referring to the year 1954; July to December, the total amount was only \$59 million. That was

hardly worth the administrative expense of setting it up. January to June 1955, \$454 million. July to December 1955, \$222 million. Then you come into 1956, and you are running at the rate of \$790 million in the first 6 months, and \$1.3 billion in the last 6 months. And you are apparently contemplating that there is going to be no great new deals being made, despite the fact that we just voted in the Congress here the Mideast resolution, calling for aid to an area where food needs are tremendous.

I can see great possibilities of the use of Public Law 480 in the Middle Eastern areas.

I am just worried that you are too timid, to be very blunt about it. If this program is working, I see no reason why we should not put the steam behind it and make it work.

Mr. GARNETT. Our desire is to keep the maximum pressure possible on sales for dollars, or second, for dollar credit sales. We feel that with the programs for India and Brazil already covered with existing authorization, these will not be repeated during this next year, that we will have enough money with the billion dollars to maintain our export levels at the present high rate.

Senator SYMINGTON. Let me ask this question: Why do you need any limitation? Why don't you ask for a blanket authorization?

Mr. GARNETT. Well, as Dr. Butz pointed out, if there were unlimited authorizations, there would be a great deal of pressure. We feel that it strengthens our bargaining position.

Senator SYMINGTON. What kind of pressure?

Mr. GARNETT. Pressures from the trade as well as from other countries. It strengthens our bargaining position in dealing with types of programs, the uses of currencies, if the amounts are somewhat limited. I think our bargaining position is strengthened by not having an unlimited authorization.

Senator HUMPHREY. Are you aware of the resolution which was adopted in the United Nations, in which our Government pledged itself for the establishment of national food reserves in countries that need it? Do you know it was adopted unanimously and the State Department and Department of Agriculture all cleared it; it is part of the official policy?

Mr. GARNETT. I know of the resolution.

The CHAIRMAN. That would require different legislation.

Senator HUMPHREY. No, not necessarily.

The CHAIRMAN. Oh, yes. This is a sales program.

Senator HUMPHREY. Not all of it. Title I is a sales program. Title II is not.

The CHAIRMAN. Senator Schoeppel.

Senator SCHOEPEL. Mr. Chairman, I would like to ask this question: Looking over the reports, where you say you have agreements with many of these nations around the world, is the average of those agreements longer than 1 year in duration?

Mr. GARNETT. The majority are 1-year agreements.

Senator HOLLAND. The majority in number.

Senator SCHOEPEL. But are the majority in dollar value?

Mr. GARNETT. Six hundred million out of the total are for more than 1 year.

Senator SYMINGTON. From the standpoint of good business practice, I do not understand yet. You say your bargaining position would

be worse if you were allowed more than a billion dollars. Would it be much better if you were allowed \$100 million.

Mr. GARNETT. I presume that would be true.

Senator SYMINGTON. Well, then, it would be perfect if you were allowed practically nothing. I want to follow your thinking. We have a surplus and we have foreign aid. I personally would rather see food given away than dollars, based on the years I have been in government. Why does it improve your bargaining position to limit the amount you can utilize?

Mr. GARNETT. We are endeavoring to move the maximum amount of these surpluses, that is, to avoid displacement, and get the maximum useful return on the currency. We feel—

Senator SYMINGTON. What has that to do with the amount available? Presumably, you would make intelligent deals if you had a billion and a half available or only a half billion available?

Mr. GARNETT. That is correct.

Senator SYMINGTON. I just do not see the importance of the figure of a billion.

Mr. GARNETT. In assessing the potential countries with whom we may make agreements, we feel that a billion dollars is about right for 1 year.

The CHAIRMAN. Senator Symington, what the witness, as well as Dr. Butz, has been trying to emphasize is that if we have a program which is more or less a giveaway program, they are not going to buy from us.

Senator SYMINGTON. Mr. Chairman, the fact that they have money does not mean agriculture has to make a silly deal.

The CHAIRMAN. That is what is going to happen—

Senator SYMINGTON. I understand the foreign aid program is \$4,400 million. Why do they say a billion? Why don't they say a half a billion or a billion and a half? I am asking for clarification. I am not criticizing what they are doing.

Senator HOLLAND. Mr. Chairman, I think it would perhaps clarify the picture if Mr. Garnett would put in the figures showing the amount of cotton sold for dollars and their efforts to sell on world markets, and the amount moved under this program, which is much less. Can you put those figures in the record?

Mr. GARNETT. We would be glad to put them in.

(For information above, see p. 30.)

Senator SYMINGTON. I was in the White House when the cotton decision was made with the Secretary of Agriculture supporting Senator George, and the Secretary of State in effect opposing it. The decision was made to go along with the Department of Agriculture. I believe that was in August 1955 or thereabouts. Why do you ask for only a billion? Why don't you just ask for the right to make the best possible deal for the American taxpayer?

Mr. GARNETT. We feel that a billion dollars is about the amount that we can program, and make good business deals—for 1 year. Then the Congress may examine it again to make any future determinations.

The CHAIRMAN. Any further questions?

Senator HOLLAND. Mr. Chairman, I would like my suggestion to be followed up to this degree. I would like the witness to place in the record at this time, if he can, the amount of cotton moved in this last year under each of the two programs. That is under 480 and under the sales for competitive world prices.

Can you do that?

Mr. GARNETT. Yes, that will be placed in the record. I do not have it.

(See p. 30 for information requested above.)

Senator HUMPHREY. I would like to have provided, for the record, a report of the pending country requests, commodity by commodity. I want to know about all the pending requests for Public Law 480, title I sales.

Senator AIKEN. Won't that be difficult because some of those requests are in different places?

Senator HUMPHREY. I am speaking primarily of what Mr. Garnett has.

Senator AIKEN. It is difficult to ascertain. I think he could give the number of requests that have reached him, but that would not necessarily be all the requests.

Senator HUMPHREY. That is all I am asking for.

(NOTE.—The Department of Agriculture subsequently advised it had pending requests from 13 countries involving commodities totaling \$900 million in value.)

Senator HICKENLOOPER. I was going to make an observation, Mr. Chairman. It is indeed refreshing to have a department come in and ask for the sound amount of money that it thinks it can use in a program, rather than padding their request. I congratulate you on attempting to approach this on a sound basis.

The CHAIRMAN. Any further questions?

Senator HUMPHREY. I want to just add this: Sometimes when you need a pint of blood plasma, it is not very sound to ask for 4 ounces. And if you have a good program, it might be more economical to use it than it is to be afraid to use it. That is all.

Senator JOHNSTON. I would like to ask one question here about table 6 on page 23. In this 3-year program, what is the \$54 million under the heading of "Grants for Multilateral and Economic Development"?

Mr. GARNETT. This is on page 23?

Senator JOHNSTON. 23, under India's 3-year program, and then, going over to grants for multilateral trade and economic development, \$54 million. What is that?

The CHAIRMAN. That is explained; that is in the record.

Senator HOLLAND. It is on page 22?

Senator JOHNSTON. Page 23.

(Discussion off the record.)

The CHAIRMAN. Any further questions?

Is there anybody else from the Department who desires to be heard?

Are there any other witnesses who desire to be heard on this? I understood there were 2 or 3. Will those who desire to be heard rise, please?

Mr. TYSON. Mr. Chairman, we are here from ICA, but only for the convenience of the committee. We have no statement.

The CHAIRMAN. Have you anything to add to what has been stated?

Mr. TYSON. Not that I know of.

The CHAIRMAN. Is Mr. Dietz here, of the American Farm Bureau Federation?

Off the record.

(Discussion off the record.)

Senator HUMPHREY. Mr. Chairman, I am delighted to stay here, as I am keenly interested in this program. But are we going to open up this testimony now? I understand we were going to conduct some more detailed hearings, our subcommittee, and I notified a number of people. It is perfectly agreeable with me to proceed now. We talked yesterday about getting some action on the pending request, and I am for that. But I think we ought to hold further hearings later. I think we should get a full review of this program and hear from the different groups interested in its future. We can make this 1-year extension now, however, so that the Department is not in any way restrained or held back in its present program. Then we can open this up to hear from farm groups——

The CHAIRMAN. I see.

Senator AIKEN. Mr. Chairman, I would suggest that we make a decision on the bill. If the farm organizations want to make any statements, let them put them in the record. I can see why, if a witness from one farm organization is heard, that we should hear the others. As far as I am concerned, I thought this was an executive session this morning.

Senator HUMPHREY. I did, too.

Senator AIKEN. With simply representatives of the Department present.

Senator HUMPHREY. I want Mr. Dietz to know I want to hear his statement. All I am saying is I think there is a lot that needs to be gone into on this program. We have a half dozen committees or commissions, including the Foreign Relations Committee and its special investigative groups, that have made comments about Public 480. I want to hear these people out, and I think we need——

The CHAIRMAN. Off the record.

(Discussion off the record.)

Senator THYE. Mr. Chairman, on the record, we have been in session here since 9:30 this morning for the purpose of endeavoring to get Public Law 480 extended. We have taken all this testimony this morning from Dr. Butz and others of the Department of Agriculture, endeavoring to make a sufficient record and obtain sufficient information to guide us in whether we want to extend Public Law 480 now, and whether we want to appropriate the sum of a billion dollars, as Mr. Butz recommended.

Now, if we are going to proceed from here with the subcommittee hearings, then I do not know why I sat here from 9:30 this morning, and rushed out of here to appear before the Appropriations Committee, of which I am a member, to make a brief statement, and then returned here in order to be present for the continuation of this Public Law 480 hearing. I think we ought to act on it.

The CHAIRMAN. I had a talk with Senator Humphrey yesterday——

Senator HUMPHREY. There is no disagreement. My colleagues apparently did not listen to me.

Senator THYE. I listened very carefully.

Senator HUMPHREY. I said, Senator, I thought we ought to act on this now. I said, too, after we acted on this, it seemed to me, in the light of the interest in this program, and the reports which had been made, that this committee, or any subcommittee thereof, ought to go into the whole record of Public Law 480, its application and administration.

I think we ought to act now on its 1-year extension.

My point with Mr. Dietz was not to object to his testifying. I merely said that once you have one organization outside of the Department coming in, then we open up this whole question as to others.

Senator AIKEN. And you delay action.

Senator HUMPHREY. I want to hear eventually from all others interested.

Mr. DIETZ. I understand there are going to be full and complete hearings in the House on April 9 on these.

The CHAIRMAN. Let me ask you this: Do you want to report the bill out this morning or wait until 3, when we consider the poultry bill?

Senator HUMPHREY. We have a quorum. I move we report the bill.

Senator AIKEN. I second the motion.

Senator HOLLAND. Mr. Chairman, I want to put the suggestion in for slightly changed wording about the fruits and vegetables. I have asked Mr. Garnett to look at the request and come up with a suggestion, if he can, for wording.

The CHAIRMAN. Why do that when they can already do that, Senator Holland?

Senator HOLLAND. I had this request from a very representative group of people.

The CHAIRMAN. I have requests, too, from a lot of cotton people, but I have just forgone it. I am not going to do it in order not to tie the bill up. I would prefer having it just as it came from the Department, just as an extension. Now, if we start adding something to it, why, I fear that it may delay it.

Senator HUMPHREY. Does this repeal the section that the Department wanted to repeal?

The CHAIRMAN. Yes.

Senator AIKEN. I think a letter from the Department to the effect that they plan to make those——

The CHAIRMAN. It is in the record.

Senator AIKEN. Yes; it should be in our record. I will get it in the Congressional Record on the floor, too.

The CHAIRMAN. And we could put it in the report, as far as that goes.

Senator HOLLAND. You have no objection to putting it in strong words?

The CHAIRMAN. I will do whatever the committee wants.

Senator HOLLAND. The request is to put it in the bill.

The CHAIRMAN. I say if you do that, Senator, it will delay it, and I do not want to delay it. We would like to have it go through as it came from the Department.

Senator AIKEN. Did you move to report out S. 1314, Senator Humphrey?

Senator YOUNG. I also moved.

Senator AIKEN. I seconded it.

The CHAIRMAN. It extends it for 1 year; increases section 103 by \$1 billion and section 203 by \$300 million; and then repeals section 304.

Senator HUMPHREY. I move.

Senator AIKEN. I second.

Senator YOUNG. I second.

The CHAIRMAN. Any objection to the report of the bill?

Senator HOLLAND. Let's vote affirmatively?

The CHAIRMAN. All those who favor the report of the bill will signify by saying "aye."

(Response of ayes.)

The CHAIRMAN. Those opposed?

It is unanimous.

Senator AIKEN. May we include Senator Hickenlooper and Senator Williams?

Senator HOLLAND. And Senator Eastland.

Mr. Chairman, my understanding is this strong wording can go in the record?

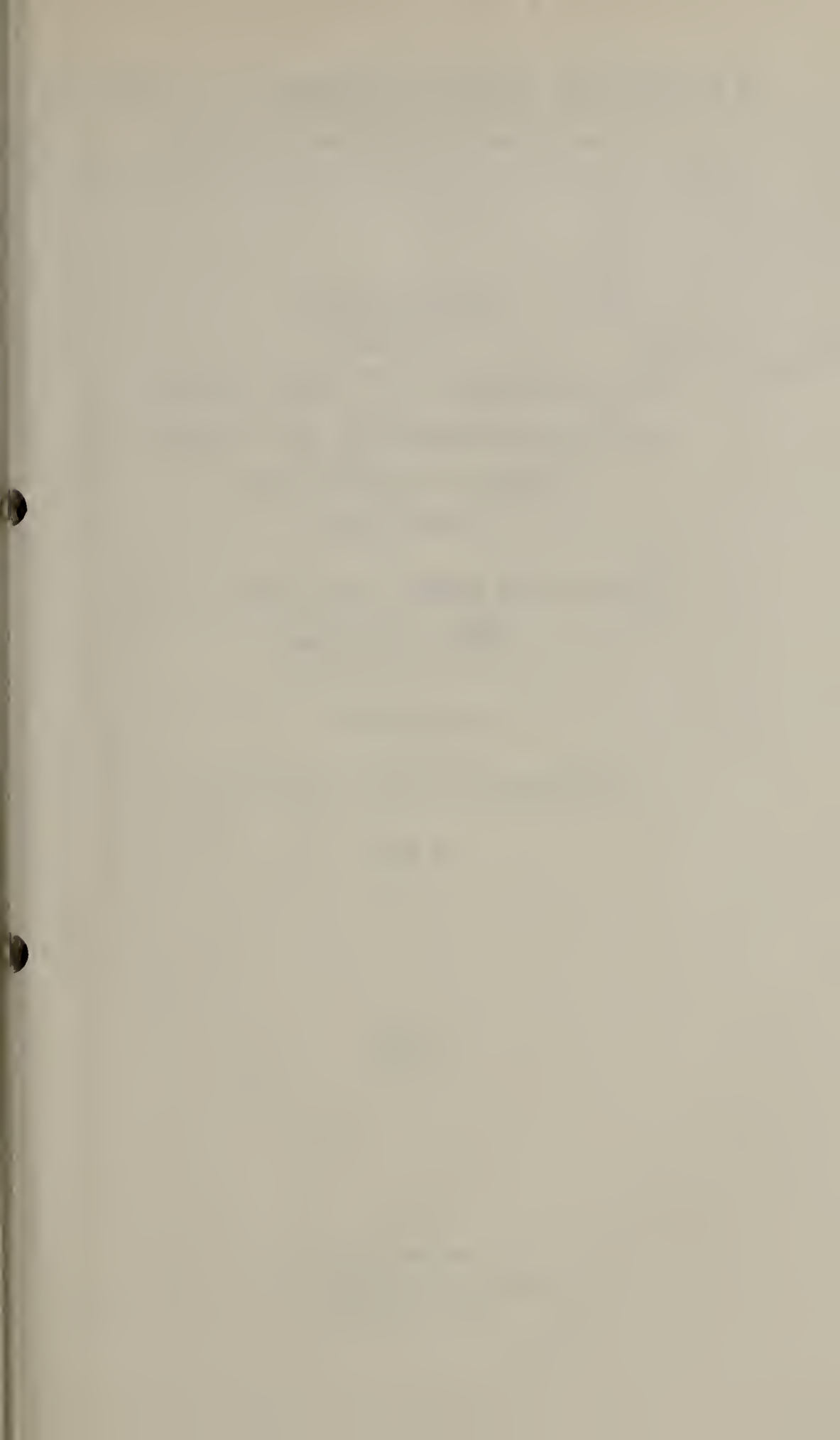
The CHAIRMAN. Yes.

The committee will stand in recess until 3 p. m.

(Whereupon at 12:15 the reporter was excused after which the committee took a recess until 3 p. m. of the same day.)

(The hearing was subsequently recessed; the committee to reconvene at the call of the Chair.)

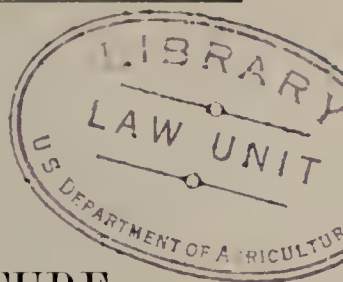
×



35
25
1905
42

SURPLUS COMMODITIES DISPOSAL

(Public Law 480, Eighty-third Congress)



HEARING BEFORE THE COMMITTEE ON AGRICULTURE HOUSE OF REPRESENTATIVES

EIGHTY-FIFTH CONGRESS

FIRST SESSION

ON

H. R. 1905, H. R. 1906, H. R. 4103,
and H. R. 5534

MARCH 29, 1957

Printed for the use of the Committee on Agriculture

Serial K



UNITED STATES
GOVERNMENT PRINTING OFFICE
WASHINGTON : 1957

COMMITTEE ON AGRICULTURE

HAROLD D. COOLEY, North Carolina, *Chairman*

W. R. POAGE, Texas, *Vice Chairman*

GEORGE M. GRANT, Alabama

E. C. GATHINGS, Arkansas

JOHN L. McMILLAN, South Carolina

THOMAS G. ABERNETHY, Mississippi

CARL ALBERT, Oklahoma

WATKINS M. ABBITT, Virginia

JAMES G. POLK, Ohio

CLARK W. THOMPSON, Texas

PAUL C. JONES, Missouri

JOHN C. WATTS, Kentucky

HARLAN HAGEN, California

LESTER R. JOHNSON, Wisconsin

VICTOR L. ANFUSO, New York

ROSS BASS, Tennessee

COYA KNUTSON, Minnesota

W. PAT JENNINGS, Virginia

D. R. (BILLY) MATTHEWS, Florida

AUGUST H. ANDRESEN, Minnesota

WILLIAM S. HILL, Colorado

CHARLES B. HOEVEN, Iowa

SID SIMPSON, Illinois

PAUL B. DAGUE, Pennsylvania

RALPH HARVEY, Indiana

PAGE BELCHER, Oklahoma

CLIFFORD G. MCINTIRE, Maine

WILLIAM R. WILLIAMS, New York

ROBERT D. HARRISON, Nebraska

HENRY ALDOUS DIXON, Utah

WINT SMITH, Kansas

OTTO KRUEGER, North Dakota

CHARLES M. TEAGUE, California

DONALD E. TEWES, Wisconsin

DELEGATES

E. L. BARTLETT, Alaska

JOHN A. BURNS, Hawaii

RESIDENT COMMISSIONER

A. FERNÓS-ISERN, Puerto Rico

MRS. MABEL C. DOWNEY, *Clerk*

JOHN J. HEIMBURGER, *Counsel*

FRANCIS M. LEMAY, *Consultant*

CONTENTS

	Page
H. R. 1905. A bill to amend the Agricultural Trade Development and Assistance Act of 1954, as amended, so as to increase the amount authorized to be appropriated for purposes of title I of the act; to extend the act for 2 years; and to authorize barter transactions with satellite countries-----	1
H. R. 1906. A bill to amend the Agricultural Trade Development and Assistance Act of 1954, as amended, so as to increase the amount authorized to be appropriated for purposes of title I of the act; to extend the act for 2 years; and to authorize barter transaction with satellite countries-----	1
H. R. 4103. A bill to amend the Agricultural Trade Development and Assistance Act of 1954, as amended, so as to increase the amount authorized to be appropriated for purposes of title I of the act; to extend the act for 2 years; and to authorize barter transactions with satellite countries-----	2
H. R. 5534. A bill to extend the Agricultural Trade Development and Assistance Act of 1954, and for other purposes-----	2
Statement of—	
Davis, Howard, Deputy Director, Food Distribution Division, Agricultural Marketing Service, United States Department of Agriculture-----	31
Dunn, Read P., Jr., director of foreign trade, National Cotton Council of America-----	62
Frink, J. C., vice president, Tobacco Associates, Inc., Washington, D. C.-----	58
Garnett, Gwynn, Administrator, Foreign Agricultural Service, United States Department of Agriculture, accompanied by Raymond A. Ioanes and Gordon Fraser-----	2, 51
Johnson, Reuben, assistant coordinator of legislative services, National Farmers Union-----	65
Lynn, John C., legislative director of the American Farm Bureau Federation-----	59
National Council of Farmer Cooperatives-----	75
Patton, James G., president of National Farmers Union-----	67
Polish American Congress; why Poland should be helped-----	76
Rogers, Rev. Clyde N., Ohio Council of Churches-----	44
Smith, Hon. Frank E., a Representative in Congress from the State of Mississippi-----	64
Stevenson, Russell, American Council of Voluntary Agencies for Foreign Service-----	47
Whatley, David-----	65
White, E. D., Associate Director, Food and Agriculture, International Cooperation Administration-----	53
Additional data submitted to the committee by—	
Coolcy, Hon. Harold D.:	
Fakler, Herman, vice president, Millers' National Federation, Washington, D. C., letter of April 5, 1957-----	77
Missouri Cotton Producers Association, Portageville, Mo., telegram of March 28, 1957-----	78
Story, A. L., Charleston, Mo., telegram of March 29, 1957-----	78
Davis, Howard, Deputy Director, Food Distribution Division, Agricultural Marketing Service, United States Department of Agriculture-----	
Agencies approved for participation in the foreign distribution of surplus commodities under section 416 of the Agricultural Act of 1949, as amended-----	34
Summary—Special title II Christmas package programs-----	32

Additional data submitted to the committee by—Continued

Department of Agriculture:

	Page
Letter of February 14, 1957, to the Speaker, House of Representatives-----	73
Report on H. R. 1905 by Hon. True D. Morse, Acting Secretary, dated February 18, 1957-----	74
Garnett, Gwynn, Administrator, Foreign Agricultural Service, United States Department of Agriculture:	
Quantities and estimated export market value of commodities exported under title I, Public Law 480, January 1955–December 1956 (chart)-----	11
Table I.—Commodity composition of programs under title I, Public Law 480, agreements signed from beginning of program through February 28, 1957-----	14
Table I (a).—Commodity composition of programs under title I, Public Law 480, agreements signed from beginning of program through June 30, 1955-----	15
Table I (b).—Commodity composition of programs under title I, Public Law 480, agreements signed July 1, 1955, through June 30, 1956-----	16
Table I (c).—Commodity composition of programs under title I, Public Law 480, agreements signed July 1, 1956, through February 28, 1957-----	17
Table II.—Approximate quantities of commodities under title I, Public Law 480, agreements signed from beginning of program through February 28, 1957-----	18
Table II (a).—Approximate quantities of commodities under title I, Public Law 480, agreements signed from beginning of program through June 30, 1955-----	20
Table II (b).—Approximate quantities of commodities under title I, Public Law 480, agreements signed July 1, 1955, through June 30, 1956-----	22
Table II (c).—Approximate quantities of commodities under title I, Public Law 480, agreements signed July 1, 1956, through February 28, 1957-----	24
Table III.—Planned uses of foreign currency under title I, Public Law 480, agreements signed from beginning of program through February 28, 1957-----	26
Table III (a).—Planned uses of foreign currency under title I, Public Law 480, agreements signed from beginning of program through June 30, 1955-----	28
Table III (b).—Planned uses of foreign currency under title I, Public Law 480, agreements signed July 1, 1955, through June 30, 1956-----	29
Table III (c).—Planned uses of foreign currency under title I, Public Law 480, agreements signed July 1, 1956, through February 28, 1957-----	30
Title I, Public Law 480, agreements signed from beginning of program-----	12
Title I, Public Law 480, sales agreements signed July 1, 1954–December 31, 1956, by 6-month periods (chart)-----	10

SURPLUS COMMODITIES DISPOSAL

(Public Law 480, 83d Congress)

FRIDAY, MARCH 29, 1957

HOUSE OF REPRESENTATIVES,
COMMITTEE ON AGRICULTURE,
Washington, D. C.

The committee met at 10 a. m. in room 1310, House Office Building, Hon. Harold D. Cooley (chairman) presiding, for the consideration of Public Law 480 bills.

(H. R. 1905, 1906, 4103, and 5534 are as follows:)

[H. R. 1905, 85th Cong., 1st sess.]

A BILL To amend the Agricultural Trade Development and Assistance Act of 1954, as amended, so as to increase the amount authorized to be appropriated for purposes of title I of the Act; to extend the Act for two years; and to authorize barter transactions with satellite countries

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 103 (b) of the Agricultural Trade Development and Assistance Act of 1954, as amended (Public Law 480, Eighty-third Congress), is amended by striking out "\$3,000,000,000" and inserting in lieu thereof "\$4,000,000,000".

SEC. 2. Sections 109 and 204 of said Act are amended by striking out in each section the date "1957" and inserting "1959".

SEC. 3. Section 304 of the Act is amended to read as follows:

"SEC. 304 (a) The President shall exercise the authority contained in title I of this Act (1) to assist friendly nations to be independent of trade with the Union of Soviet Socialist Republics and with nations dominated or controlled by the Union of Soviet Socialist Republics and (2) to assure that agricultural commodities sold or transferred thereunder do not result in increased availability of those or like commodities to unfriendly nations.

"(b) Nothing in this Act shall be construed as authorizing transactions under title I or title III with the Union of Soviet Socialist Republics or Communist China or North Korea."

[H. R. 1906, 85th Cong., 1st sess.]

A BILL To amend the Agricultural Trade Development and Assistance Act of 1954, as amended, so as to increase the amount authorized to be appropriated for purposes of title I of the Act; to extend the Act for two years; and to authorize barter transactions with satellite countries

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 103 (b) of the Agricultural Trade Development and Assistance Act of 1954, as amended (Public Law 480, Eighty-third Congress), is amended by striking out "\$3,000,000,000" and inserting in lieu thereof "\$4,000,000,000".

SEC. 2. Sections 109 and 204 of said Act are amended by striking out in each section the date "1957" and inserting "1959".

SEC. 3. Section 304 of the Act is amended to read as follows:

"SEC. 304. (a) The President shall exercise the authority contained in title I of this Act (1) to assist friendly nations to be independent of trade with the Union of Soviet Socialist Republics and with nations dominated or controlled by the Union of Soviet Socialist Republics and (2) to assure that agricultural

commodities sold or transferred thereunder do not result in increased availability of those or like commodities to unfriendly nations.

"(b) Nothing in this Act shall be construed as authorizing transactions under title I or title III with the Union of Soviet Socialist Republics or Communist China or North Korea."

[H. R. 4103, 85th Cong., 1st sess.]

A BILL To amend the Agricultural Trade Development and Assistance Act of 1954, as amended, so as to increase the amount authorized to be appropriated for purposes of title I of the Act; to extend the Act for two years; and to authorize barter transactions with satellite countries

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 103 (b) of the Agricultural Trade Development and Assistance Act of 1954, as amended (Public Law 480, Eighty-third Congress), is amended by striking out "\$3,000,000,000" and inserting in lieu thereof "\$4,000,000,000".

SEC. 2. Sections 109 and 204 of said Act are amended by striking out in each section the date "1957" and inserting "1959".

SEC. 3. Section 304 of the Act is amended to read as follows:

"SEC. 304. (a) The President shall exercise the authority contained in title I of this Act (1) to assist friendly nations to be independent of trade with the Union of Soviet Socialist Republics and with nations dominated or controlled by the Union of Soviet Socialist Republics, and (2) to assure that agricultural commodities sold or transferred thereunder do not result in increased availability of those or like commodities to unfriendly nations.

"(b) Nothing in this Act shall be construed as authorizing transactions under title I or title III with the Union of Soviet Socialist Republics or Communist China or North Korea."

[H. R. 5534, 85th Cong., 1st sess.]

A BILL To extend the Agricultural Trade Development and Assistance Act of 1954, and for other purposes

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the Agricultural Trade Development and Assistance Act of 1954, as amended, is amended as follows:

(1) Sections 109 and 204 of such Act are amended by striking out "1957" and substituting in lieu thereof "1958".

(2) Section 103 (b) of such Act is amended by striking out "\$3,000,000,000" and inserting in lieu thereof "\$4,000,000,000".

(3) Section 203 of such Act is amended by striking out "\$500,000,000" and inserting in lieu thereof "\$800,000,000".

(4) Section 304 of such Act is deleted.

The CHAIRMAN. The committee will be in order.

Mr. Garnett, will you come around, please, sir.

The first witness will be Mr. Gwynn Garnett, Administrator of the Foreign Agricultural Service of the Department of Agriculture. We are very glad to have you with us this morning. Do you have a prepared statement?

STATEMENT OF GWYNN GARNETT, ADMINISTRATOR, FOREIGN AGRICULTURAL SERVICE, UNITED STATES DEPARTMENT OF AGRICULTURE, ACCOMPANIED BY RAYMOND A. IOANES AND GORDON FRASER

Mr. GARNETT. Mr. Chairman, we have distributed a prepared statement and a little compendium of tables which describe the individual country agreements.

The CHAIRMAN. You may proceed with your statement.

Mr. GARNETT. Mr. Chairman and members of the committee, I appreciate this opportunity to appear before you to discuss the Public Law 480 program. Public Law 480, approved on July 10, 1954,

provided several constructive methods to dispose of our agricultural surpluses.

Title I of Public Law 480 originally provided a \$700 million authorization for selling surpluses abroad to friendly countries for foreign currencies. On August 12, 1955, the authorization was increased to \$1.5 billion; on August 3, 1956, the total limitation was raised to \$3 billion.

Here are the highlights of the title I program since it was initiated in the fall of 1954. Agreements have been signed with 30 countries totaling about \$2.9 billion at CCC cost and about \$2 billion at market value. There is included about \$225 million in ocean transportation so that the actual market value of commodities to be exported is about \$1.8 billion.

These agreements provide for the shipment of 430 million bushels of wheat, 2.5 million bales of cotton, 22 million bags of rice, 1.2 billion pounds of vegetable oils, 140 million pounds of tobacco, 150 million pounds of meat, 200 million pounds of lard, 75 million bushels of feed grains, 130 million pounds of dairy products, 80 million pounds of fruit and vegetables, as well as other commodities.

In 1955-56, the first full year of operation of title I, foreign currency shipments totaled \$427 million, or 12 percent of total United States agricultural exports. This year title I shipments are averaging about \$60 million per month, and for the year as a whole they are expected to comprise about 16 percent of total agricultural exports of about \$4.5 billion—a record level.

Agreements signed to date will result in foreign currency payments of approximately \$2 billion. In round figures, about one-fourth of the total will be used to meet United States expenses abroad. This use will return dollars to CCC. Somewhat more than one-tenth will be used to strengthen the military forces of our allies. And the largest use of currencies, over half of the total, will be loaned to participating countries for economic development.

We are planning to use somewhat less than 2 percent of this currency to develop our agricultural markets abroad. Thus far we have approved 70 projects (including 18 trade fairs) for the use of about \$5.9 million in foreign currency for 10 commodities or groups of commodities. The United States trade people and their foreign co-operators are making available about \$3.3 million in dollars and foreign currency for the use in these projects.

These, in brief, are the results achieved to date under the title I program. In order to permit continuation of these activities, we are recommending: that title I be extended for 1 year and that the authorization be increased by \$1 billion; that title II of the act, which authorizes the use of food for emergency relief abroad, be extended for 1 year, and the authorization be increased by \$300 million; and that section 304 of title III be repealed in order to permit barter with satellite countries on a selective basis. These recommendations are contained in H. R. 5534, and we support its enactment.

DESCRIPTION OF TITLE I, PUBLIC LAW 480

Title I authorizes the President to enter into agreements with friendly nations or organizations of friendly nations for the sale of agricultural commodities for foreign currencies. Under existing legislation, new agreements cannot be entered into after June 30, 1957.

Title I agreements are reached through the coordinated efforts of several Government agencies affected by these sales. Although the Secretary of Agriculture is authorized to determine the countries with whom agreements shall be negotiated and the commodities and quantities which may be included in these negotiations, programs are developed in consultation with such agencies as the Department of State, the International Cooperation Administration, the Bureau of the Budget, Department of Defense, and other departments and agencies. This coordination is necessary because Public Law 480 is a complex act; it combines many purposes which affect domestic and foreign economic policies and involves activities of several departments and agencies.

At the beginning of the program, the President directed the establishment of an Interagency Committee on Agricultural Surplus Disposal. This committee is responsible for advising the President concerning policy issues and for assuring that the various agricultural disposal activities are consistent with overall policy objectives.

Day-to-day activities are coordinated through an interagency staff committee established by the Secretary of Agriculture. This committee is chaired by the Foreign Agricultural Service and includes staff-level representatives of the agencies on the Interagency Committee on Agricultural Surplus Disposal, and other departments and agencies. This staff committee considers proposed programs and approves the negotiation of specific country agreements.

Title I agreements are negotiated through diplomatic channels. Negotiations usually are carried on overseas by United States embassy officials designated by the United States ambassador. At times, negotiations are conducted in Washington and led by the Department of State. In negotiating an agreement, commitments are obtained from the importing country to safeguard the usual marketings of the United States and to assure that sales under the agreement will not unduly disrupt world prices. Because of these commitments, foreign currency sales under title I have resulted in substantial exports of United States agricultural commodities without perceptibly affecting our normal markets or depressing world commodity prices.

PROGRAM PROCEDURES

Title I programs are helpful in developing and expanding continuous market demand abroad through the use of private trade channels. While the funds and other assets of the Commodity Credit Corporation are used to finance exports of commodities from the Corporation's stocks or from privately owned stocks, actual sales are made by United States exporters to importers or buying missions designated by importing countries. These commodities generally move through regular trade channels on the same price basis that commodities move under dollar sales programs.

Our main efforts in programing commodities under title I agreements are directed toward the reduction of Government stocks. For example, programing of wheat and cotton represents more than 65 percent of the total programing at CCC cost, to date. Significant quantities of commodities not held by CCC but in surplus supply, are also programed under these agreements. Although these quantities are small in comparison to wheat and cotton, they serve the major

objectives of Public Law 480 of reducing United States agricultural surpluses and promoting world markets for our agricultural commodities.

In carrying out the objectives of the act, considerable emphasis is placed on programing commodities to underdeveloped and new market areas. The 3-year programs signed with India and Brazil during this fiscal year are good examples of this emphasis. These countries have a large potential for increased consumption of United States agricultural commodities.

After agreements are signed, purchase authorizations are issued to importing governments by the Foreign Agricultural Service. These authorizations specify the kinds, quantities, and maximum dollar values of the commodities to be purchased, and the conditions under which financing will be made available. Public announcements are made of these authorizations for use by United States suppliers in making sales with foreign importers.

Normal commercial procedures, based largely on letters of credit, are followed in carrying out title I sales. Importers pay for commodities in local currencies through their local banks. United States suppliers are paid in dollars by United States banks with which the foreign banks have established dollar letter of credit arrangements. The United States banks are reimbursed by the Commodity Credit Corporation. The foreign currency purchase price of the commodities is deposited to the account of the United States Government in accordance with arrangements made between Governments of the United States and the importing country.

PROGRAM RESULTS

Since the inception of the program, agreements have been entered into with 30 countries. These agreements include commodities involving a total CCC cost of about \$2.9 billion and a total export market value of about \$2 billion. These totals include about \$225 million in ocean transportation costs which are being financed by CCC. A chart showing the progress of programing since the beginning of the program is attached to this statement.

The title I authorization is in terms of CCC cost which includes the cost of commodities, processing, handling, and other costs. The export market value represents the prices actually paid by importers under individual transactions. Because of this cost difference, programing of \$2 billion in export market value has nearly exhausted the CCC cost limitation of \$3 billion.

About \$1 billion worth of commodities at export market value has already been exported. By the end of the current fiscal year shipments should total about \$1.2 billion. A large portion of the unshipped balance on June 30, 1957, will represent the 1958 and 1959 programs with India and Brazil under their 3-year agreements.

Fiscal year 1956 was the first full year of title I operations. During that year, about \$427 million worth of commodities at export market value was exported, or 12 percent of total United States agricultural exports. Shipments this fiscal year are averaging about \$60 million per month and are expected to comprise about 16 percent of our total agricultural exports which are expected to establish a new record.

In terms of tonnage, title I programs exceed 16 million metric tons, of which somewhat more than 50 percent has been shipped. Over 3 million metric tons were shipped during the first 6 months of this fiscal year. A chart of shipments by month, in terms of tonnage and export market value, through December 31, 1956, showing the rise in shipments over a 2-year period, is attached to this statement.

As I indicated previously, title I programs are directed primarily at the reduction of accumulated surpluses. Wheat and cotton have been our big items in CCC inventory.

It might be useful at this point to review the program for each of the major commodities.

WHEAT

More than 430 million bushels of wheat and wheat flour have been programed to date, of which about 270 million bushels were included in agreements signed during the past 7 months. During fiscal year 1956, title I exports of wheat and wheat flour totaled 93 million bushels; during the first 6 months of this fiscal year title I wheat exports exceeded 60 million bushels and these shipments are increasing. These shipments will help raise total wheat exports this year to an estimated 450 million bushels. This compares with exports of 344 million bushels last year. It appears that for the first time in several years there will be a reduction in the carryover stocks of wheat.

COTTON

Title I agreements include more than 2.5 million bales of cotton. Movement of cotton was slow until the new export sales program made United States cotton competitive beginning with the 1956-57 season. Title I shipments are now being made at a rate of about 125,000 bales a month. These shipments are going to countries which could not otherwise afford to purchase our fiber. Like wheat, we should get a reduction in carryover stocks of cotton for the first time in several years. Total United States cotton exports should reach or exceed 6.5 million bales this year. The carryover is expected to be reduced by 2 million bales.

RICE

Shipments of rice have been heavy this year under title I. With additional rice being shipped under title II, we have succeeded in committing for shipment all CCC stocks of rice accumulated from the 1953, 1954, and 1955 crops. A part of the surplus from the current crop is also being shipped under Public Law 480. Rice exports are expected to reach a record level of 25 million bags. About 16 million bags will be shipped under title I alone.

COTTONSEED OIL AND SOYBEAN OIL

More than 1.2 billion pounds of cottonseed oil and soybean oil have been included in title I agreements, of which about 900 million pounds have been exported. This has been a major reason for the movement of surplus supplies of vegetable oils into consumption and the attainment of a record export total last year. Considerable quantities of vegetable oil have been programed for shipment this year and are helping to maintain exports at a high level.

OTHER COMMODITIES

Title I programs also include about 140 million pounds of tobacco, 150 million pounds of meat products, 200 million pounds of lard, 75 million bushels of feed grains, 130 million pounds of dairy products, 80 million pounds of fruits and vegetables, as well as smaller quantities of other commodities.

EFFECT ON CCC STOCKS

We are glad to report that the steady rise in the Commodity Credit Corporation investment in surplus commodities has apparently been halted. The cost value of CCC holdings was \$5.2 billion on November 30, 1953. It rose to \$6.9 billion a year later and reached \$8.2 billion in November 1955. There was a downturn of \$30 million in November 1956 as against the position a year earlier. As of January 31, 1957, the downturn was slightly more than one-half billion dollars as compared with the same date in 1956.

The investment peak of \$8.9 billion was reached in February 1956. We expect this figure to drop to \$7.6 billion by June 30, 1957—a reduction of \$700 million in 12 months and a reduction of about \$1.3 billion since the peak.

Programing of the major items in CCC inventory or under loan under title I of Public Law 480 as well as dollar sales and other Government export programs appear to have checked the accumulation of surpluses and resulted in a modest reduction in excess holdings. Further reductions are likely as a result of the combined effects of continued surplus disposal and production adjustment programs, including the soil bank.

USES OF FOREIGN CURRENCIES

The foreign currencies which accrue from title I sales may be used for 10 purposes specified in section 104 of the law.

One of the principal objectives of Public Law 480 is the expansion of foreign markets for United States agricultural products. Market development projects are already underway in 21 countries involving the equivalent of about \$5.9 million. About \$32 million is tentatively earmarked for this purpose under existing agreements.

Export markets for cotton, tobacco, wheat, soybeans, fruit, poultry, dairy products, tallow, edible oils, and breeding cattle are promoted under this program through the use of several promotion devices. A total of 70 foreign market development projects have been approved so far. These are being carried out by United States commodity trade groups in cooperation with foreign groups. I'll mention a few of them.

We have 10 tobacco projects in operation in Austria, Finland, France, Italy, Japan, Korea, Spain, and Thailand. All these projects aim at greater use of our tobacco in the manufacture of cigarettes. These include marketing studies, exhibits at trade fairs, advertising and promotional displays, and exchange visits of tobacco industry representatives of the United States and the foreign countries concerned.

Cotton projects are underway in France, Japan, Germany, and Spain through the Cotton Council International which represents the

United States cotton industry abroad. Other projects are being started in Switzerland, Italy, Belgium, and Holland. The Maid of Cotton is being sent abroad to promote the sale of cotton products for apparel and household uses under this program.

Dairy products projects are underway in Colombia and Thailand; market promotion activities for wheat are being conducted in Colombia and Japan.

A large and distinct part of market development concerns participation in trade and food fairs throughout the world. Exhibits of United States farm products in these fairs permit the introduction of products to millions of people. The distribution of samples is emphasized. We have participated in 13 international fairs to date and plan to exhibit in several additional fairs this year.

Considerable use of currencies is made for the payment of United States obligations overseas. In some countries the currencies are sold to defense agencies for meeting costs of military base construction. Purchases are also made by the Department of State and the United States Information Agency which have continuing needs to meet administrative and operating expenses. In addition, about \$100 million has been allocated for the purchase or construction of military family housing in 8 countries.

Currencies are being used for educational exchange programs, for assistance to American-sponsored schools, libraries, and community centers, and for the translation, publication, and distribution of books and periodicals abroad.

Substantial amounts of the foreign currencies are being used to promote economic development. Virtually all of these development funds are loaned to participating countries with programs being worked out by the foreign governments in cooperation with the United States. Direct grants of currencies for economic development purposes are made only in special circumstances.

Of the agreements signed to date, almost 60 percent, or about \$1.1 billion dollars of foreign currency payments is earmarked for use for economic development loans. The Administration of the loan funds is the responsibility of the International Cooperation Administration. Considerable emphasis is placed upon coordinating plans for the use of these funds with the overall development programs of the countries. In considering loan projects for agricultural purposes care is exercised to avoid encouragement of production which would result in reduced outlets for United States agricultural commodities.

Finally, foreign currencies are used for the purchase of strategic materials, procurement of military services and equipment for the common defense abroad, and for the purchase of goods for other friendly countries.

PLANS FOR ADDITIONAL BILLION DOLLARS

The request for an additional \$1 billion will permit us to program agricultural commodities for fiscal year 1958 at about the same annual rate as in the past 2 years when allowance is made for forward programming under the 3-year agreements with India and Brazil. It will

permit us to plan our disposition programs well in advance for fiscal year 1958 and facilitate the orderly disposal of commodities during that period. As a matter of fact, the additional \$1 billion will result in title I shipments at the same level, or at a higher level, than the \$700 million in shipments which will move this year.

In programing the additional authorization our emphasis will continue to be concentrated in underdeveloped, low income countries. Sales will be made to expand consumption, to regain or establish new markets, to meet foreign needs arising from crop failures, and to expand reserve stocks overseas.

We have limited our request to an additional \$1 billion and a 1-year extension because we believe it desirable that the results obtained under this program be subjected to a periodic review. This request also emphasizes the Administration's position that Public Law 480 is a temporary program designed to deal primarily with accumulated farm surpluses. Such a periodic review also permits consideration of alternative methods of surplus disposal and other actions aimed at expanding normal export markets.

TITLE II AND SECTION 304

We recommend an increase of \$300 million in the title II authorization. Since current commitments are about \$300 million, this will have the effect of restoring the authorization to the existing \$500 million.

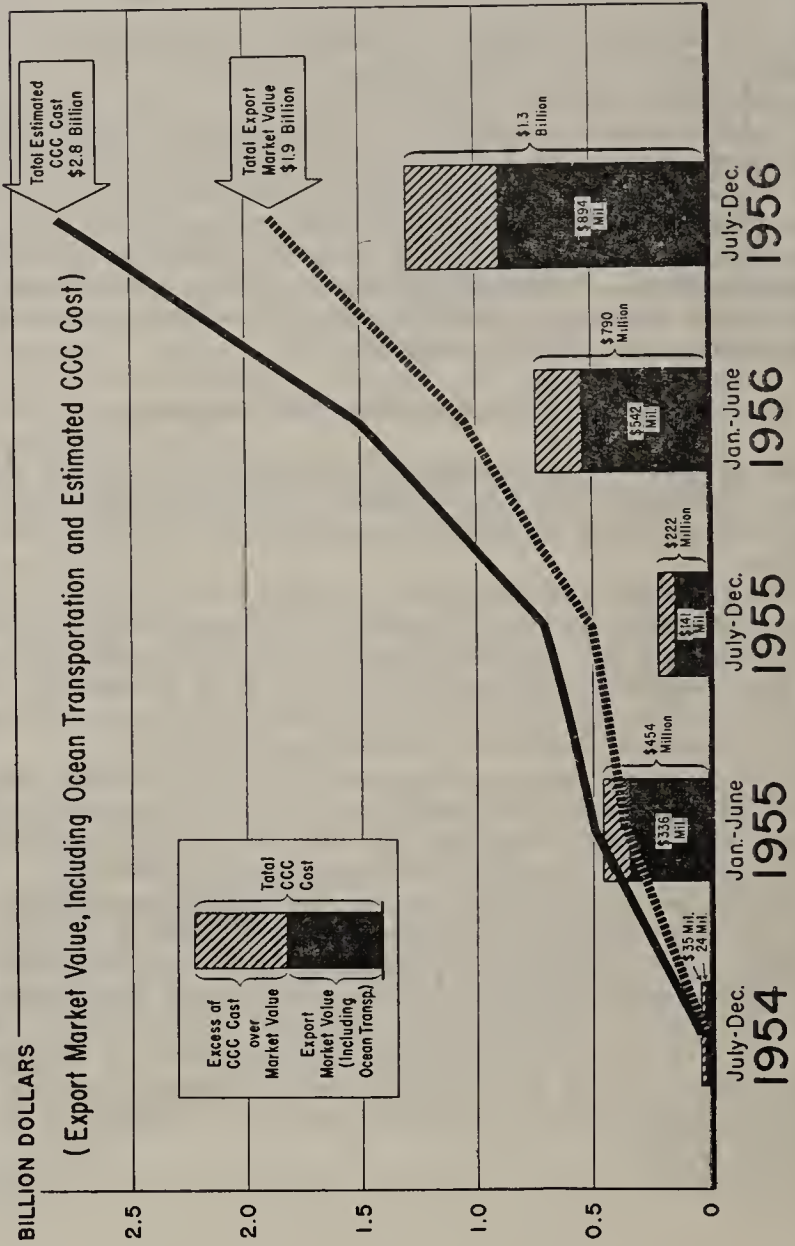
This program is of great value to the United States. It provides a means by which we can help friendly foreign people in time of need. Recent events can illustrate what is done under this program. Title II has furnished commodities to help feed Hungarian refugees in Austria; it has alleviated distress caused by floods in Afghanistan and Iran; it has furnished relief to Bolivia and Tunisia.

Title II activities are administered by the International Cooperation Administration, although the commodities are supplied by CCC. In addition to my associates, we have representation from ICA here today to answer questions concerning this program.

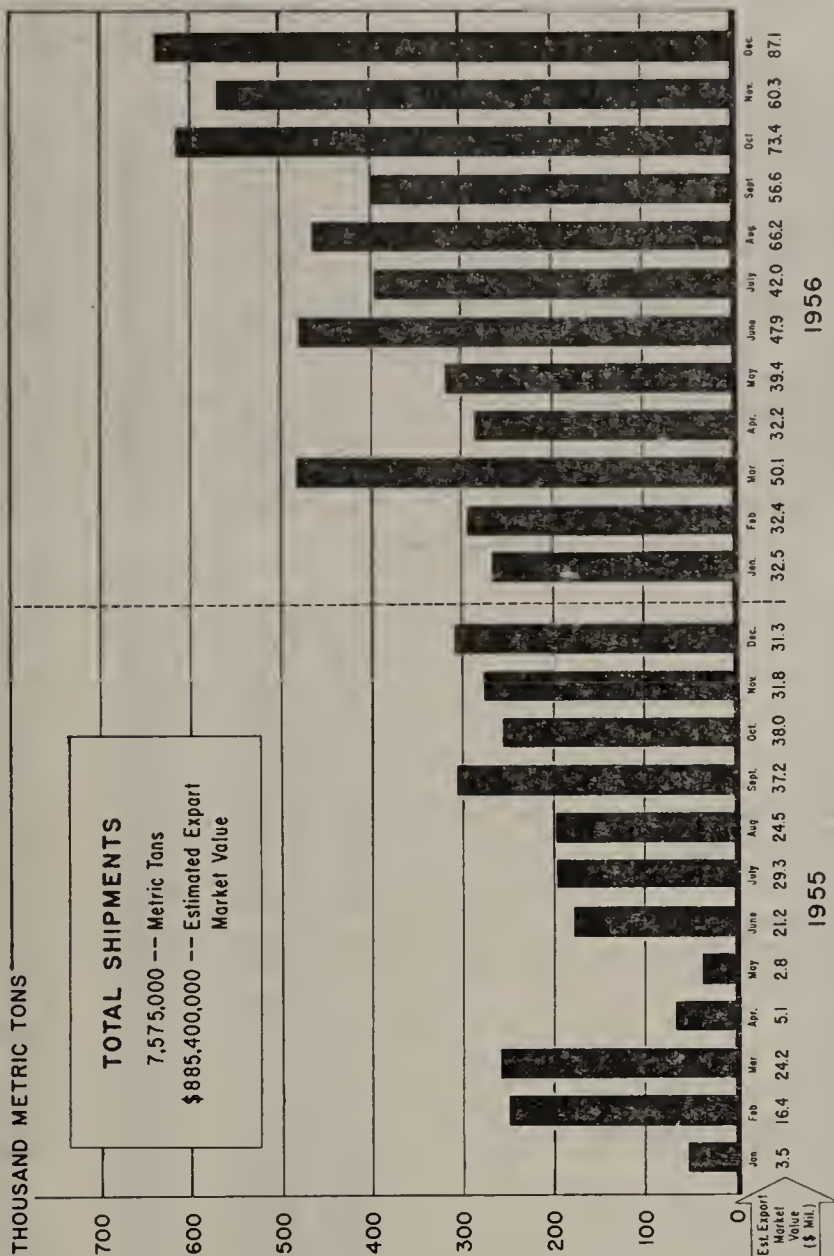
We also have State Department people here, particularly because of the recommendation to repeal section 304 of the act. This would be helpful in our foreign policy objectives since it would enable us to send our agricultural surpluses to Eastern European satellites in exchange for strategic or other material. In view of recent events in Europe, we feel that this new authority, administered on a selective basis, would permit us to send agricultural surpluses to satellite countries in exchange for useful material when it is clearly in the national interest to do so.

(The following documents were submitted by Mr. Garnett:)

TITLE I, PUBLIC LAW 480 SALES AGREEMENTS SIGNED JULY 1, 1954 - DECEMBER 31, 1956, BY SIX-MONTH PERIODS



QUANTITIES AND ESTIMATED EXPORT MARKET VALUE OF COMMODITIES
EXPORTED UNDER TITLE I, PUBLIC LAW 480, JAN. 1955 - DEC. 1956



FAS NEG. 1,219

USDA

TITLE I

Public Law 480 agreements signed from beginning of program

[In thousands of dollars]

Country	Date signed	Market value excluding ocean transportation	Ocean transportation	Estimated CCC cost including ocean transportation
Turkey.....	Nov. 15, 1954	18,917	5,517	35,086
Yugoslavia.....	Jan. 5, 1955	37,983	6,215	66,013
Pakistan.....	Jan. 18, 1955	28,147	1,253	39,058
Chile.....	Jan. 27, 1955	4,600	407	7,686
Peru.....	Feb. 7, 1955	3,250	380	6,255
Spain.....	Apr. 20, 1955	19,260	1,740	23,358
Argentina.....	Apr. 25, 1955	5,670	130	8,721
Turkey (amendment).....	Apr. 28, 1955	4,144	427	6,121
Israel.....	Apr. 29, 1955	7,848	822	13,255
Finland.....	May 6, 1955	5,114	136	5,250
Yugoslavia (amendment).....	May 12, 1955	6,523	1,308	13,383
Italy.....	May 23, 1955	48,200	1,800	71,708
Japan.....	May 31, 1955	78,997	6,745	109,291
Korea.....	do.	14,015	985	15,000
United Kingdom.....	June 7, 1955	15,000	205	15,205
Austria.....	June 14, 1955	5,500	584	8,256
Israel (amendment).....	June 15, 1955	3,652	678	7,312
Thailand.....	June 21, 1955	1,900	100	2,000
Colombia.....	June 23, 1955	4,900	400	7,072
Greece.....	June 24, 1955	5,400	647	8,665
Do.....	do.	7,573	772	12,711
Peru (amendment).....	June 25, 1955	3,400	400	6,259
Subtotal beginning of program through June 30, 1955.....		329,993	31,651	487,665
France.....	Aug. 11, 1955	650	0	650
Peru (amendment).....	Sept. 20, 1955	3,000	320	3,320
Yugoslavia (amendment).....	Oct. 1, 1955	17,871	4,260	42,106
Ecuador.....	Oct. 7, 1955	3,743	277	5,280
Spain (amendment).....	Oct. 20, 1955	9,975	430	10,608
Israel.....	Nov. 10, 1955	14,740	2,300	26,868
Brazil.....	Nov. 16, 1955	36,658	4,856	77,942
Egypt.....	Dec. 14, 1955	4,818	782	10,682
Colombia.....	Dec. 20, 1955	10,900	700	17,054
Argentina.....	Dec. 21, 1955	24,700	600	25,300
Germany.....	Dec. 23, 1955	1,200	0	1,200
Finland (amendment).....	Jan. 12, 1956	500	50	980
Yugoslavia (amendment).....	Jan. 19, 1956	42,635	6,400	77,943
Spain (amendment).....	Jan. 21, 1956	15,000	1,100	16,100
Israel (amendment).....	Jan. 31, 1956	900	0	1,760
Austria.....	Feb. 7, 1956	20,800	1,665	33,530
Burma.....	Feb. 8, 1956	20,800	900	31,240
Egypt (amendment).....	do.	4,900	700	11,216
Israel (amendment).....	Feb. 10, 1956	10,000	0	10,000
Egypt (amendment).....	Feb. 17, 1956	7,348	1,052	16,825
Greece (amendment).....	do.	5,867	233	6,100
Iran.....	Feb. 20, 1956	10,334	2,527	21,343
Pakistan.....	Mar. 2, 1956	16,900	0	32,652
Indonesia.....	do.	91,800	6,019	153,962
Spain.....	Mar. 5, 1956	60,000	4,800	77,296
Turkey.....	Mar. 12, 1956	3,826	194	4,020
Korea (as amended Jan. 7, 1957).....	Mar. 13, 1956	42,330	5,400	59,313
Chile.....	do.	32,500	2,600	48,339
Spanish-Swiss (amendment).....	Mar. 20, 1956	4,607	393	9,430
Finland (amendment).....	Mar. 26, 1956	12,100	1,000	18,381
Do.....	Apr. 26, 1956	2,900	465	6,718
Paraguay.....	May 2, 1956	2,600	400	4,273
Peru.....	May 7, 1956	2,470	310	4,364
Turkey (amendment).....	May 11, 1956	10,143	1,400	21,374
Portugal.....	May 24, 1956	6,300	800	13,657
Japan (effective May 29, 1956).....	Feb. 10, 1956	59,900	5,900	98,787
United Kingdom.....	June 5, 1956	12,000	186	12,186
Subtotal, July 1, 1955, through June 30, 1956.....		627,715	59,019	1,012,799
Italy (amendment).....	July 5, 1956	7,700	300	8,000
Netherlands.....	Aug. 7, 1956	268	7	396
Pakistan.....	do.	40,123	6,277	78,717
Greece.....	Aug. 8, 1956	15,411	1,789	22,615
China (Taiwan).....	Aug. 14, 1956	9,206	600	12,500
India 3-year program.....	Aug. 29, 1956	305,900	160,200	553,442
Pakistan (amendment).....	Sept. 7, 1956	2,300	100	2,400

¹ Includes \$6 million estimated for ocean freight differential for which no rupee deposits are required. The balance, \$54.2 million, only, is reflected in the currency use table.

Public Law 480 agreements signed from beginning of program—Continued

[In thousands of dollars]

Country	Date signed	Market value excluding ocean transportation	Ocean transportation	Estimated CCC cost including ocean transportation
Israel.....	Sept. 11, 1956	9,300	1,400	17,447
Spain (amendment).....	Sept. 15, 1956	7,000	414	7,414
Do.....	do.....	2,000	414	2,414
Spain.....	Oct. 23, 1956	43,800	5,800	52,674
Finland (amendment).....	Oct. 24, 1956	1,540	227	2,949
Italy.....	Oct. 30, 1956	58,400	2,443	79,781
Yugoslavia.....	Nov. 3, 1956	84,100	15,047	145,381
France.....	Nov. 8, 1956	1,400	-----	1,400
Turkey.....	Nov. 12, 1956	39,900	6,400	69,927
Pakistan (amendment).....	Dec. 3, 1956	20,600	5,000	42,800
Thailand (amendment).....	Dec. 14, 1956	461	39	800
Brazil.....	Dec. 31, 1956	119,700	19,000	222,300
Korea (amends No. 49).....	Jan. 7, 1957	-----	-----	-----
Italy (amendment).....	do.....	1,500	100	1,600
Greece (amendment).....	Jan. 21, 1957	3,700	604	7,112
Turkey (amendment).....	Jan. 25, 1957	17,130	2,270	27,130
Korea.....	Jan. 30, 1957	16,900	2,000	22,480
Ecuador.....	Feb. 15, 1957	3,770	330	4,060
Subtotal, July 1, 1956, through Feb. 28, 1957.....	-----	812,103	130,761	1,386,639
Total, all agreements signed through Feb. 28, 1957.....	-----	1,769,811	221,431	2,887,103

TABLE I.—Commodity composition of programs under title I, Public Law 480, agreements signed from beginning of program through Feb. 28, 1957

[In millions of dollars]

Country	Wheat	Feed grains	Rice	Cotton ¹	Tobacco	Dairy products	Fats and oils	Other	Market value	Ocean transportation ²	Market value including ocean transportation ³	Estimated CCC cost including ocean transportation ⁴
Argentina	3.4	10.6	6.1	3.5	30.4				30.4	0.7	31.1	34.0
Austria	414.7	.9	17.5	2.2	2.4			3.0	26.3	2.3	28.6	41.8
Brazil	12.1		5.3	1.1	8.3	2.2			156.3	23.9	180.2	300.2
Burma			7.6	1.7		2.0		3.2	20.8	.9	21.7	31.2
Chile			5.0	1.5		1.0		2.5	37.1	3.0	40.1	56.0
China (Taiwan)			.8	.7		1.5			9.2	.6	9.8	12.5
Colombia	5.0					.7			15.8	1.1	16.9	24.1
Ecuador	2.2	.3					3.5		7.5	.6	8.1	10.3
Egypt	17.1	2.3	5.8			.5			17.1	2.5	19.6	38.7
Finland	6.3							3.2	22.1	1.9	24.0	34.3
France				2.1					2.1		2.1	2.1
Germany								1.2	1.2		1.2	1.2
Greece	14.7	5.4				3.6	14.3		38.0	4.0	42.0	57.2
India ⁵	200.0	26.4	70.0	6.0		3.5			305.9	60.2	366.1	553.4
Indonesia	5.0	35.8	36.0	15.0					91.8	6.0	97.8	154.0
Iran	9.5					.8			10.3	2.5	12.8	21.3
Israel	15.8	10.1	.1		4	4.1	3.0	9	46.4	5.2	51.6	76.6
Italy	1.6	10.0	2.6	8.9					115.8	4.6	120.4	161.1
Japan	48.6	15.4	52.8	7.7			30.0		138.9	12.6	151.5	208.1
Korea	8.5	15.3	9.8	6.6		1.0	1.5	10	73.2	8.4	81.6	96.8
Netherlands			.27						.27	.01	.28	.4
Pakistan	26.6		23.0	4.8		2.5	3.3		108.1	12.6	120.7	195.7
Paraguay	1.7		41.9			.4	.5		2.6	.4	3.0	4.3
Peru	8.9					.2	3.0		12.1	1.4	13.5	20.2
Portugal	6.3								6.3	.8	7.1	13.7
Spain ⁶	4.6	9.1	32.9		6.2	.46	89.6	12	161.7	15.0	176.7	199.2
Thailand					1.9	.6		13	2.36	.14	2.5	2.8
Turkey	52.8	18.0					16.3	4	94.0	16.2	110.2	163.7
United Kingdom	132.2		30.9	27.0			26.0		27.0	.4	27.4	27.4
Yugoslavia									189.1	33.2	222.3	344.8
Total agreements	727.6	97.4	142.5	377.67	100.0	25.06	251.6	47.9	1,769.73	221.15	1,990.88	2,887.1

¹ Spanish program includes \$0.3 million cotton lint.² Includes only ocean transportation to be financed by CCC except as noted in footnote 8.³ Fruit.⁴ Includes \$111 million under fiscal year 1957 agreement to be shipped over a 3-year period.⁵ Hay and pasture seeds \$2.5 million.⁶ Poultry.⁷ 3-year program except rice, which is a 1-year program.⁸ Includes \$6 million estimated for ocean freight differential for which no rupee deposits are required. The balance, \$54.2 million, only, is reflected in the currency use table III.⁹ Dry edible beans, \$0.3 million; chilled or frozen beef, \$10 million.¹⁰ Canned pork.¹¹ Wheat to be sold to Spain for resale to Switzerland for financing procurement of Swiss goods by Spain.¹² Hams \$1.6 million; salt pork \$0.8 million; potatoes \$1.4 million; frozen beef \$15.5 million.¹³ Canned and frozen beef.

TABLE I (a).—Commodity composition of programs under title I, Public Law 480, agreements signed from beginning of program through June 30, 1955

[In millions of dollars]

Country	Wheat	Feed grains	Rice	Cotton	Tobacco	Dairy products	Fats and oils	Other	Market value	Ocean transportation	Market value including ocean transportation ¹	CCC cost including ocean transportation ¹
Argentina.....		4.5		0.5	0.5		5.7		5.7	0.1	5.8	8.7
Austria.....	2.2								5.5	.6	6.1	8.3
Chile.....	1.6			1.6			2.4		4.6	.4	5.0	7.7
Colombia.....				2.9		0.7	1.0		4.9	.4	5.3	7.1
Finland.....					2.2				5.1	.2	5.3	5.3
Greece.....	6.0	2.4				2.5	2.1		13.0	1.4	14.4	21.4
Israel.....	5.2	3.2	0.1	1.1	2	1.0			11.5	1.5	13.0	20.6
Italy.....	1.6	3.0		35.9	3.2		.7		48.2	1.8	50.0	71.7
Japan.....	21.3	4.2	14.4	34.1	5.0		4.5		79.0	6.7	85.7	109.3
Korea.....				9.4	4.6				14.0	1.0	15.0	15.0
Pakistan.....				21.5	3.3	2.4	1.0		28.2	1.2	29.4	39.1
Peru.....	6.4					.2			6.6	.8	7.4	12.5
Spain.....		3.0		8.1	2.2		5.0	1.0	19.3	1.7	21.0	23.4
Thailand.....					1.9				1.9	.1	2.0	2.0
Turkey.....	6.5	12.4					4.2		23.1	5.9	29.0	41.2
United Kingdom.....					15.0				15.0	.2	15.2	15.2
Yugoslavia.....	34.9			9.6					44.5	7.5	52.0	79.4
Total.....	85.7	32.7	14.5	124.7	38.1	6.8	26.6	1.0	330.1	31.5	361.6	487.9

¹ Includes only ocean transportation to be financed by CCC.

² Frozen beef.

TABLE I (b).—Commodity composition of programs under title I, Public Law 480, agreements signed July 1, 1955, through June 30, 1956
[In millions of dollars]

Country	Wheat	Feed grains	Rice	Cotton ¹	Tobacco	Dairy products	Fats and oils	Other	Market value	Ocean transportation	Market value including ocean transportation ²	CCC cost including ocean transportation ²
Argentina.....	3.4	6.1		5.6	3.0		24.7		24.7	0.6	25.3	25.3
Austria.....	33.7	.9					2.4	3 0.3	20.8	1.7	22.5	33.5
Brazil.....							1.8		36.6	4.9	41.5	77.9
Burma.....				17.5	1.1	2.0		3.2	20.8	2.9	21.7	31.2
Chile.....	9.9	3.5		3.3	.2	1.0	13.6	4.5	32.5	2.6	35.1	48.3
Colombia.....	3.4	6.0		6.0			1.5		10.9	.7	11.6	17.0
Ecuador.....	1.2	1.5		.8	.2				3.7	.3	4.0	5.3
Egypt.....	17.1								17.1	2.5	19.6	38.7
Finland.....	6.0	1.1		2.9	3.8	.5		3 1.2	15.5	1.5	17.0	26.1
France.....					.7				1.2		.7	.7
Germany.....							5.9	6 1.2	5.9		1.2	1.2
Greece.....			35.8						91.8	2	6.1	6.1
Indonesia.....	5.0			36.0	15.0				10.3	6.0	97.8	154.0
Iran.....	9.5	3.2				.8			25.6	2.5	12.8	21.3
Israel.....	27.3	11.2		1.5	.2	2.3	2.2	6 10.3	59.9	2.3	27.9	38.6
Japan.....	6.4	11.5	11.5	.4	2.0	1.0	1.5	7 8.0	42.3	5.9	65.8	98.8
Korea.....			16.9						16.9	5.4	47.7	59.3
Pakistan.....	1.7					.4	.5				3.0	4.3
Paraguay.....	2.5						3.0		2.6	.4	6.1	7.7
Peru.....	6.3								5.5	.6	7.1	13.7
Portugal.....	4.6	2.3		1 24.8	2.0		52.1	3 8	89.6	6.7	96.3	113.3
Spain.....	7.3	.3	1.4				4.9		13.9	1.6	15.5	25.4
Turkey.....					12.0				12.0	.2	12.2	12.2
United Kingdom.....				8.5			10.8		60.5	10.7	71.2	120.1
Yugoslavia.....	41.2											
Total.....	192.4	36.6	65.6	128.0	43.1	8.0	126.4	27.5	627.6	59.0	686.6	1,012.7

¹ Spanish program includes \$0.3 million cotton lintels.

² Includes only ocean transportation to be financed by CCC.

³ Fruit.

⁴ Hay and pasture seeds \$2.5 million.

⁵ Poultry.

⁶ Dry edible beans, \$0.3 million; chilled or frozen beef, \$10 million.

⁷ Canned pork.

⁸ Wheat to be sold to Spain for resale to Switzerland for financing procurement of Swi goods by Spain.

⁹ Hams \$1.6 million; salt pork \$0.8 million; potatoes \$1.4 million.

TABLE I (c).—Commodity composition of programs under title I, Public Law 480, agreements signed July 1, 1956, through Feb. 28, 1957

[In millions of dollars]

Country	Wheat	Feed grains	Rice	Cotton	Tobacco	Dairy products	Fats and oils	Other	Market value	Ocean transportation ¹	Market value including ocean transportation ¹	Estimated CCO cost including ocean transportation ¹
Brazil.....	111.0					2.2	6.5		119.7	19.0	138.7	222.3
China (Taiwan).....						1.7	1.0		9.2	.6	9.8	12.5
Ecuador.....	1.0	0.3		5.0		1.5	2.0		3.8	.3	4.1	5.0
Finland.....	.3	1.2				.5			1.5	.2	1.7	2.9
France.....						1.4			1.4		1.4	1.4
Greece.....	8.7	3.0					6.3		19.1	2.4	21.5	29.7
India ²	200.0		28.4	70.0		3.5			305.9	60.2	366.1	553.4
Italy.....	4.7	3.7				.8	.1		9.3	1.4	10.7	17.4
Israel.....		7.0							67.6	2.8	70.4	89.4
Korea.....	2.1	3.8	11.0	29.4			25.5		16.9	2.0	18.9	22.5
Netherlands.....										.01	.28	.4
Pakistan.....	26.6		25.0	7.5		.1	2.3		63.0	11.4	74.4	123.9
Spain.....		3.8				2.0	32.5	\$ 14.5	52.8	6.6	59.4	62.5
Thailand.....										.46		.8
Turkey.....	39.0	5.3				.6	7.2	44.9	57.0	8.7	65.7	97.1
Yugoslavia.....	56.1			12.8			15.2		84.1	13.0	99.1	145.3
Total agreements July 1-Feb. 28, 1957.....	449.5	28.1	62.4	124.97	18.8	10.26	98.6	19.4	812.03	130.65	942.68	1,386.5

¹ Includes only ocean transportation to be financed by CCO except as noted in footnote 4.

² 3-year program.

³ 3-year program except rice which is a 1-year program.

⁴ Includes \$6 million estimated for ocean freight differential for which no rupee deposits are required. The balance, \$54.2 million, only, is reflected in the currency use table III (c).

⁵ Spain, frozen beef; Turkey, canned and frozen beef.

TABLE II.—Approximate quantities of commodities under title I, Public Law 480, agreements signed from beginning of program through Feb. 28, 1957

Country	Wheat and flour	Feed grains ¹	Rice	Cotton ²	Tobacco	Dairy products ³	Fats and oils ⁴	Poultry	Dry edi- ble beans	Fruit and vege- tables	Meat	Hay and pasture seeds
	1,000 bushels	1,000 bushels	1,000 hundred- weight	1,000 bales	1,000 pounds	1,000 pounds	1,000 pounds 220,000	1,000 pounds	1,000 hundred- weight	1,000 pounds	1,000 pounds	1,000 hundred- weight
Argentina.....	2,025	7,091		42.5	5,900	10,190	\$ 16,552			\$ 1,974		
Austria.....	84,974	688			125	9,682	\$ 55,092			\$ 1,579		
Brazil.....				125.2	1,467	9,300	94,019					
Burma.....				37.6	300	5,062	10,811					
Chile.....	7,316			35.6	2,000	3,307	14,141					
China (Taiwan).....				48.3								
Colombia.....				6.0	923		27,959					
Ecuador.....	2,612	189										
Egypt.....	1,148											
Finland.....	10,329	1,581		36.1	9,990	1,163				\$ 10,720		
France.....	3,724				3,216			3,000				
Germany.....												
Greece.....	8,571	5,073				28,456	\$ 83,288					
India ⁵	128,600		4,409	500.0	6,000	14,770						
Indonesia.....	2,894		5,629	248.7	23,000							
Iran.....	2,120					11,708	5,773					
Israel.....	9,251	8,463	7	15.5	550	14,197	19,450		37		\$ 40,000	
Italy.....	9,948	6,410		453.8	11,798		196,815					
Japan.....	31,030	12,425	2,111	305.0	9,462							
Korea.....	5,408	13,115	3,214	50.0	12,667	2,751	9,677				\$ 19,842	
Netherlands.....				1.8								
Pakistan.....	16,019		6,636	189.5	5,317	5,105	21,159					
Paraguay.....						5,833	\$ 3,126					
Peru.....	5,014					621	22,000					
Portugal.....	3,751											
Spain.....	9 2,446	6,369		221.9	11,888		515,001			\$ 66,867	\$ 74,767	
Thailand.....					2,700	1,957					\$ 17,155	
Turkey.....	30,547	14,424	220		38,625	3,042	113,723					
United Kingdom.....	76,566			199.7			\$ 193,916					
Yugoslavia.....												
Total.....	436,287	75,828	22,226	2,517.2	145,428	122,844	1,622,502	3,000	37	80,940	151,764	55

¹ Entire quantity shown for country is lard except Brazil, Chile, Greece, Paraguay, and Yugoslavia which includes lard as follows:

	Thousands pounds
Brazil.....	44,069
Chile.....	3,241
Greece.....	3,571
Paraguay.....	1,300
Yugoslavia.....	101,862
⁶ Austria:	
Canned fruit and fruit juices.....	47
Dried fruit.....	1,927

Burma:	
Canned fruit and fruit juices.....	769
Dried fruit.....	810
Finland:	
Dried fruit.....	9,800
Fresh pears.....	920
Spain, potatoes.....	
⁷ 3-year program except rice which is a 1-year program.....	
⁸ Israel, frozen beef.....	
Korea, canned pork.....	
Spain:	
Canned hams.....	2,571
Salt pork.....	4,267
Frozen beef.....	67,929

Turkey.....
⁹ Wheat to be sold to Spain for resale to Switzerland for financing procurement of Swiss goods by Spain.

	Thousands bushels
¹ Feed wheat.....	1,813
Corn.....	29,442
Oats.....	6,843
Barley.....	32,935
Grain sorghums.....	5,795

Total..... 75,828
² Includes 15.4 thousand bales cotton lintners for Spain.

	Thousands pounds
³ Condensed milk.....	7,054
Dry whole milk.....	3,328
Nonfat dry milk.....	42,561
Evaporated milk.....	21,321
Butter.....	12,698
Cheese.....	11,521
Butter oil.....	2,835
Butter oil and/or ghee.....	15,276
Ghee.....	4,249
Whey.....	2,001

Total.....	122,844
Cottonseed oil.....	121,390
Cottonseed oil and/or soybean oil.....	773,118
Cottonseed oil, soybean oil, and/or lard.....	320,151
Linseed oil.....	11,945
Lard.....	230,595
Tallow and/or grease.....	165,103

Total..... 1,622,502

TABLE II (a).—Approximate quantities of commodities under title I, Public Law 480, agreements signed from beginning of program through June 30, 1955

Country	Wheat and flour	Feed grains ¹	Rice	Cotton	Tobacco	Dairy products ²	Fats and oils ³	Meat
Argentina.....	1,000 bushels	1,000 bushels	1,000 hundred- weight	1,000 bales	1,000 pounds	1,000 pounds	1,000 pounds	1,000 pounds
Austria.....	1,202	2,848		2.5	900		43,600	
Chile.....	820			8.2		3,307	17,328	
Colombia.....				15.7	3,690		6,349	
Finland.....						21,264	14,106	
Greece.....	3,479	2,366		6.0	250	2,467	4,912	
Israel.....	2,940	3,074	7	253.8	4,000		33,322	
Italy.....	948	1,923		175.0	6,254			
Japan.....	13,687	3,768	2,111	47.0	10,000			
Korea.....				138.5	3,650	4,249	8,274	
Pakistan.....						621		
Peru.....	3,571				4,430		28,571	4,000
Spain.....		2,046		39.5	2,700			
Thailand.....								
Turkey.....	3,725	10,335					27,179	
United Kingdom.....					21,429			
Yugoslavia.....	19,290			55.7				
Total agreements.....	49,662	26,360	2,118	741.9	57,303	31,908	183,641	4,000

	Thou- sand pounds
3 Cottonseed oil.....	121,590
Cottonseed oil and/or soybean oil.....	33,32
Cottonseed oil, soybean oil and/or lard.....	20,455
Linseed oil.....	8,274
Total.....	183,641
4 Frozen beef.....	

	Thou- sand bushels
1 Corn.....	7,877
Oats.....	4,751
Barley.....	10,945
Grain sorghums.....	2,787
Total.....	26,360
	Thou- sand pounds
2 Nonfat dry milk.....	11,048
Evaporated milk.....	9,150
Butter.....	4,190
Cheese.....	1,270
Ghee.....	4,249
Whey.....	2,001
Total.....	31,908

TABLE II (b).—Approximate quantities of commodities under title I, Public Law 480, agreements signed July 1, 1955, through June 30, 1956

Country	Wheat and flour	Feed grains ¹	Rice	Cotton ²	Tobacco	Dairy products ³	Fats and oils ⁴	Poultry	Dry edi- ble beans	Fruit and vege- ables	Meat	Hay and pasture seeds
	1,000 bushels	1,000 bushels	1,000 hundred- weight	1,000 bales	1,000 pounds	1,000 pounds	1,000 pounds	1,000 pounds	1,000 hundred- weight	1,000 pounds	1,000 pounds	1,000 hundred- weight
Argentina.....	2,025	4,243	---	40.0	5,000	---	176,400	---	---	£ 1,974	---	---
Austria.....	19,919	688	---	---	125	9,682	£ 16,552	---	---	£ 1,579	---	---
Brazil.....	---	---	---	125.2	1,467	---	£ 11,000	---	---	---	---	---
Burma.....	6,114	---	---	37.6	300	8,900	£ 76,691	---	---	---	---	55
Chile.....	1,792	---	---	40.1	---	---	7,792	---	---	---	---	---
Colombia.....	1,597	---	---	6.0	323	---	13,629	---	---	---	---	---
Ecuador.....	10,329	---	---	---	---	---	---	---	---	---	---	---
Egypt.....	3,557	750	---	20.4	6,300	1,163	---	---	---	£ 10,720	---	---
Finland.....	---	---	---	---	867	---	---	---	---	---	---	---
France.....	---	---	---	---	---	---	---	3,000	---	---	---	---
Germany.....	---	---	---	---	---	---	30,880	---	---	---	---	---
Greece.....	2,894	---	5,629	248.7	23,000	---	---	---	---	---	---	---
Indonesia.....	2,120	---	---	---	---	11,708	5,773	---	---	---	---	---
Iran.....	3,486	3,008	---	9.5	300	8,326	13,538	---	37	---	740,000	---
Israel.....	17,343	8,657	---	130.0	3,208	---	---	---	---	---	---	---
Japan.....	4,122	10,000	1,643	3.0	2,667	2,751	9,677	---	---	719,842	---	---
Korea.....	---	---	2,600	---	---	---	---	---	---	---	---	---
Pakistan.....	994	---	---	---	---	933	£ 3,126	---	---	---	---	---
Paraguay.....	1,443	---	---	---	---	---	22,000	---	---	---	---	---
Peru.....	3,751	---	---	---	---	---	---	---	---	---	---	---
Portugal.....	£ 2,446	1,324	---	2182.4	3,143	---	289,279	---	---	£ 66,667	76,838	---
Spain.....	4,374	173	220	---	---	---	32,303	---	---	---	---	---
Turkey.....	---	---	---	---	17,196	---	---	---	---	---	---	---
United Kingdom.....	24,833	---	---	58.7	---	---	£ 87,964	---	---	---	---	---
Yugoslavia.....	---	---	---	---	---	---	---	---	---	---	---	---
Total.....	112,139	28,843	10,092	901.6	63,896	44,463	796,604	3,000	37	80,940	66,680	55

¹ Entire quantity shown for country is lard except Chile and Paraguay which includes lard as follows:

	Thousand pounds
Chile.....	3, 241
Paraguay.....	1, 300

² Austria:

Canned fruit and fruit juices.....	47
Dried fruit.....	1, 927

Burma:

Canned fruit and fruit juices.....	769
Dried fruit.....	810

Finland:

Dried fruit.....	9, 800
Fresh pears.....	920

Spain, potatoes.....

⁷ Israel, chilled or frozen beef.

Korea, canned pork.

Spain:

Canned hams.....	2, 571
Salt pork.....	4, 267

⁸ Wheat to be sold to Spain for resale to Switzerland for financing procurement of Swiss goods by Spain.

Thousand bushels	
Feed wheat.....	1, 813
Corn.....	9, 034
Barley.....	14, 088
Grain sorghums.....	3, 008
Total.....	28, 843

² Includes 15.4 thousand bales cotton lintners for Spain.

Thousand pounds	
Dry whole milk.....	1, 168
Nonfat dry milk.....	12, 526
Evaporated milk.....	4, 182
Condensed milk.....	5, 500
Butter.....	8, 508
Cheese.....	2, 153
Butter oil and/or ghee.....	10, 426

Total.....	44, 463
Cottonseed oil and/or soybean oil.....	340, 762
Cottonseed oil, soybean oil and/or lard.....	299, 696
Linsced oil.....	526
Lard.....	120, 057
Tallow and/or grease.....	35, 563

Total.....	796, 604
------------	----------

TABLE II (c).—Approximate quantities of commodities under title I, Public Law 480, agreements signed July 1, 1956, through Feb. 28, 1957

Country	Wheat	Feed grains ¹	Rice	Cotton	Tobacco	Dairy products ²	Fats and oils ³	Meat
	1,000 bushels	1,000 bushels	1,000 hundredweight	1,000 bales	1,000 pounds	1,000 pounds	1,000 pounds	1,000 pounds
Brazil.....	65,055							
China (Taiwan).....	551	189						
Ecuador.....	167	831						
Finland.....								
France.....								
Greece.....	5,092	2,707						
India ⁴	128,600		4,409	500.0	6,000	10,190	\$ 44,082	
Israel.....	2,825	2,381				5,062	10,811	
Italy.....		4,487					14,330	
Korea.....	1,286	3,115	1,571	200.0	7,798			
Netherlands.....				1.8				
Pakistan.....	16,019		4,036	51.0	1,657	7,192	\$ 38,302	
Spain.....		2,999			3,815	14,770	1,000	
Thailand.....						3,404	163,493	
Turkey.....	22,448	3,916						
Yugoslavia.....	32,443			85.3		1,957	54,241	717,155
Total.....	274,486	20,625	10,016	873.7	24,229	46,473	\$ 105,952	81,084

1	Corn.....	11,631	Thousand bushels	4 3-year program.		Thousand pounds
	Oats.....	1,092		5 Amount shown includes lard as follows:		
	Barley.....	7,902		Brazil.....		33,069
				Greece.....		3,571
				Yugoslavia.....		73,898
	Total.....	20,625		Total.....		110,538
			Thousand pounds	6 3-year program except rice, which is 1-year program.		
2	Nonfat dry milk.....	18,987		7 Spain:		
	Evaporated milk.....	7,980		Frozen beef.....		56,250
	Dry whole milk.....	2,160		Frozen beef livers.....		2,000
	Sweetened condensed milk.....	1,554		Frozen beef tongues.....		1,395
	Butter oil.....	2,835		Frozen beef brains.....		2,424
	Butter oil and/or ghee.....	4,850		Frozen beef kidneys.....		1,860
	Cheese.....	8,098		Total.....		63,929
	Total.....	46,473				
3	Cottonseed oil and/or soybean oil.....	399,034		Turkey:		
	Lard.....	110,538		Frozen beef.....		16,604
	Tallow.....	129,540		Canned beef.....		551
	Linseed oil.....	3,145		Total.....		17,155
	Total.....	642,257				

TABLE III.—Planned uses of foreign currency under title I, Public Law 480, agreements signed from beginning of program through Feb. 28, 1957¹

Country	Total amount programmed (market value including ocean transportation)	[In millions of dollars]								Information and publication (104 l)	International education exchange (104 h)	Loans for multilateral trade and economic development (104 g)	Payment of United States obligations (104 f)	Grants for multilateral trade and economic development (104 e)	Purchase of goods for other countries (104 d)	Military procurement (104 c)	Purchase of strategic material (104 b)	Market development (104 a)	Information and publication (104 l)
Argentina.....	31.1	0.6									0.7	20.0	9.8		(2)				
Austria.....	28.6	.7										16.0	9.9						
Brazil.....	180.2	2.7	3.2	2.0							2.1	149.2	19.6			2.0			0.9
Burma.....	21.7	.5										17.3	3.9		(2)				
Chile.....	40.1	.8										31.7	7.0						
China (Taiwan).....	9.8												3.4			4.9			
Colombia.....	16.9	.8										10.0	5.5		(2)				
Ecuador.....	8.1	.4											6.3						.2
Egypt.....	19.6	.5										13.6	4.7						
Finland.....	24.0	.5											23.2		(2)				.3
France.....	2.1	1.2											.3						
Germany.....	1.2	1.1											.1						
Greece.....	42.0	1.3										23.5	9.2						.5
India (3-year program).....	360.1	4.0	2.0								1.8	234.1	66.2		(2)				
Indonesia.....	97.8	1.0									.3	77.4	17.1						.2
Iran.....	12.8	.2									.7	2.5	3.3			5.9			
Israel.....	51.6	.4										36.8	14.4		(2)				1.0
Italy.....	120.4	2.7	1.0									82.4	23.3		10.0				
Japan.....	151.5	3.3									2.1	108.9	26.3		10.9	(5)			.6
Korea.....	81.6	.5									.9		14.5			65.1			
Netherlands.....	28	.25											.03						1.0
Pakistan.....	120.7	1.7										23.6	18.8			74.3			.3
Paraguay.....	3.0	.2										2.2	5						
Peru.....	13.5	.7									.5	9.7	2.6						
Portugal.....	7.1	.3										3.4	3.1						
Spain.....	176.7	3.0	1.0									107.7	62.9						.5
Thailand.....	2.5	.4										1.0	1.1						
Turkey.....	110.2	.7										54.9	50.4			(5)			2.5
United Kingdom.....	27.4												27.4						
Yugoslavia.....	222.3	1.0										82.7	49.5			88.8			.3
Total agreements.....	1,984.88	32.15	7.2	241.0								1,114.9	478.38		23.5	241.0			7.4
Uses as percent of total.....	100.0	1.6	.4	12.1								56.2	24.1		1.2	12.1			.3

⁴ Total market value in table III differs from total in table I by the \$6 million estimated for ocean freight differential in the Indian agreement for which no rupee deposits will be required.

⁵ The Japanese agreement for the July-June year 1955-56 provides for the use of \$8.1 million and the United Kingdom agreements provide for the entire currency use under subsec. 104 (c). However, since in return for this currency use, these countries will construct and make available to the U. S. Armed Forces an equivalent value of dependent housing, the amounts are shown under 104 (f).

⁶ In some instances column totals do not add to total amount programmed because of slight differences in rounding.

¹ Amounts shown on this table are subject to adjustment when actual purchases and allocations have been made.

² Amounts shown in this column indicate a specified amount in the agreement for this use. Footnote 2 only shows an unspecified amount for possible procurement for third countries. A footnote and an amount indicate more than one agreement including both specified and unspecified amounts.

³ In order to provide flexibility in the use of funds, many agreements provide that a specified amount of local currency proceeds may be used under secs. 104 (a), (b), (f), (h), and (i). In some instances, possible uses under sec. 104 (d) are also included in this category. Therefore, estimates based on the best information now available are indicated above under subsec. (a), (b), (h), and (i). Balances not otherwise distributed are included under subsec. (f). This distribution is subject to revision when allocations have been completed.

TABLE III (a).—*Planned uses of foreign currency under title I, Public Law 480, agreements signed from beginning of program through June 30, 1955¹*

[In millions of dollars]

Country	Total amount programmed (market value including ocean transportation)	Market development (104a)	Purchase of strategic material (104b)	Military procurement (104c)	Purchase of goods for other countries ² (104d)	Grants for multilateral trade and economic development (104e)	Payment of United States obligations ³ (104f)	Loans for multilateral trade and economic development (104g)	International education exchange (104h)
Argentina.....	5.8	0.2	—	—	(²)	—	3.0	2.3	0.3
Austria.....	6.1	.2	—	—	—	—	4.4	1.5	—
Chile.....	5.0	.2	—	—	—	—	.5	4.0	.3
Colombia.....	5.3	.2	—	—	—	—	1.8	3.0	.3
Finland.....	5.3	.2	—	—	—	—	4.8	—	.3
Greece.....	14.4	.2	—	—	—	7.5	2.5	4.2	—
Israel.....	13.0	.3	—	—	(²)	—	5.3	7.4	—
Italy.....	50.0	1.7	1.0	—	5.0	—	12.3	30.0	.8
Japan.....	85.7	2.0	—	—	5.5	—	17.9	59.5	.9
Korea.....	15.0	.5	—	6.0	—	—	7.6	—	1.0
Pakistan.....	29.4	1.6	—	14.9	—	—	1.9	10.0	.3
Peru.....	7.4	.2	—	—	—	—	1.5	5.4	.6
Spain.....	21.0	1.0	1.0	—	—	—	7.9	10.5	.4
Thailand.....	2.0	.2	—	—	—	—	13.0	14.5	.8
Turkey.....	29.0	.7	—	—	—	—	4 15.2	—	—
United Kingdom.....	15.2	—	—	(⁴)	—	—	14.0	—	—
Yugoslavia.....	52.0	.2	—	37.8	—	—	—	—	—
Total agreements.....	361.6	9.6	2.0	58.7	10.5	7.5	114.2	153.1	6.0
Uses as percent of total.....	100.0	2.7	.5	16.2	2.9	2.1	31.6	42.3	1.7

¹ Amounts shown on this table are subject to adjustment when actual purchases and allocations have been made.² Amounts shown in this column indicate a specified amount in the agreements for this use. Footnote 2 shows an unspecified amount in the agreement for possible procurement for third countries.³ In order to provide flexibility in the use of funds, many agreements provide that a specified amount of local currency proceeds may be used under secs. 104 (a), (b), (f), and (h). In some instances, possible uses under sec. 104 (d) are also included in this category.

Therefore, estimates based on the best information now available are indicated above under subsections (a), (b), (d), and (h). Balances not otherwise distributed are included under subsection (f). This distribution is subject to revision when allocations have been completed.

⁴ The United Kingdom agreement provides for the entire currency use under subsec. 104 (c). However, since in return for this currency use, this country will construct and make available to the U. S. Armed Forces an equivalent value of dependent housing, this amount is shown under 104 (f).

[In millions of dollars]

SURPLUS COMMODITIES DISPOSAL

29

Country	Total amount programmed (market value including ocean transportation)	Market development (104 a)	Purchase of strategic material (104 b)	Military procurement (104 c)	Purchase of goods for other countries ² (104 d)	Grants for multilateral trade and economic development (104 e)	Payment of United States obligations ³ (104 f)	Loans for multilateral trade and economic development (104 g)	International education exchange (104 h)	Information and education (104 j)
Argentina	25.3	0.4					6.8	17.7		
Austria	22.5	.5			2.0		5.5	14.5	0.4	
Brazil	41.5		3.2				5.4	31.3		
Burina	21.7	.5			(²)		3.9	17.3	.9	
Chile	35.1	.6					6.5	27.7		
Colombia	11.6	.6			(²)		3.7	7.0	.3	
Ecuador	4.0	.2					.4	3.1	.3	
Egypt	19.6	.5					4.7	13.6	.8	
Finland	17.0				(²)		17.0			
France	.7	.6					.1			
Germany	1.2	1.1					.1			
Greece	6.1	.3					1.5	4.3		
Indonesia	97.8	1.0	2.0				17.1	77.4	.3	
Iran	12.8	.2		5.9			3.3	2.5	.7	0.2
Israel	27.9	1.1		(⁴)	(²)		6.4	21.4		
Japan	65.8	1.3			5.4		48.4	49.4	1.3	
Korea	47.7			42.9			4.8	2.5		
Pakistan	16.9			11.0			3.4	2.2		
Paraguay	3.0	.2					.5	.1		
Peru	6.1	.5					1.1	4.3	.2	
Portugal	7.1	.3					3.1	3.4	.3	
Spain	96.3	1.0					38.1	56.7	.5	
Turkey	15.5			(⁴)			7.9	7.6		
United Kingdom	12.2						4 12.2			
Yugoslavia	71.2	.3		51.0			10.9	9.0		
Total agreements	686.6	10.9	5.2	110.8	7.4		172.8	372.9	6.4	.2
Uses as percent of total	100.0	1.6	.8	16.1	1.1		25.2	54.3	.9	

¹ Amounts shown on this table are subject to adjustments when actual purchases and allocations have been made.

² Amounts shown in this column indicate a specified amount in the agreement for this use. Footnote 2 shows an unspecified amount in the agreement for possible procurement for third countries.

³ In order to provide flexibility in the use of funds, many agreements provide that a specified amount of local currency proceeds may be used under sees. 104 (a), (b), (f), and (h). In some instances, possible uses under see. 104 (d) are also included in this category.

Therefore, estimates based on the best information now available are indicated above under subsecs. (a), (h), (d), and (h). Balances not otherwise distributed are included under subsec. (f). This distribution is subject to revision when allocations have been completed.

⁴ The Japanese agreement provides for the use of \$8.1 million and the United Kingdom agreement provides for the entire currency use under subsec. 104 (c). However, since in return for this currency use, these countries will construct and make available to the U. S. Armed Forces an equivalent value of dependent housing, the amounts are shown under 104 (f).

TABLE III (c).—Planned uses of foreign currency under title I, Public Law 480, agreements signed July 1, 1956, through Feb. 28, 1957¹

[In millions of dollars]

Country	Total amount programmed (market value including ocean transportation)	Market development (104 a)	Purchase of strategic material (104 b)	Military procurement (104 c)	Purchase of goods for other countries (104 d)	Grants for multilateral trade and economic development (104 e)	Payment of United States obligations ² (104 f)	Loans for multilateral trade and economic development (104 g)	Information and education exchange (104 h)	Translation and publication (104 i)	Information and education (104 j)
Brazil	138.7	2.0	---	2.0	---	---	14.2	117.9	1.2	0.5	0.9
China (Taiwan)	9.8	.7	---	4.9	---	---	3.4	---	.8	---	---
Ecuador	4.1	.2	---	---	---	---	1.4	3.2	.1	---	.2
Finland	1.7	.3	---	---	(³)	---	---	---	---	.05	---
France	1.4	.6	---	---	.6	---	.2	---	---	---	---
Greece	21.5	.8	---	---	---	---	5.2	15.0	---	---	.5
India 3-year program	4360.1	4.0	---	---	(³)	54.0	66.2	234.1	1.8	---	---
Israel	10.7	---	---	---	(³)	---	2.7	8.0	---	---	---
Italy	70.4	1.0	---	---	3 5.0	---	11.0	52.4	---	---	1.0
Korea	18.9	---	---	16.2	---	---	2.1	---	---	---	.6
Netherlands	.28	.25	---	---	---	---	.03	---	---	---	---
Pakistan	74.4	.1	---	48.4	---	---	13.5	11.1	---	.3	1.0
Spain	59.4	1.0	---	---	---	---	16.9	40.5	---	.5	.5
Thailand	.5	.2	---	---	---	---	.05	2	.05	---	---
Turkey	65.7	---	---	---	---	---	29.5	32.8	.8	.1	2.5
Yugoslavia	99.1	.5	---	---	---	---	24.6	73.7	---	.3	---
Total agreements	4 936.68	11.65	---	71.5	5.6	54.0	191.38	588.9	4.75	1.75	7.2
Uses as percent of total	100.0	1.2	---	7.6	.6	5.8	20.5	62.9	.5	.2	.7

¹ Amounts shown on this table are subject to adjustment when actual purchases and allocation have been made.

² In order to provide flexibility in the use of funds, many agreements provide that a specified amount of local currency proceeds may be used under sec. 104 (a), (b), (f), (h), and (i). In some instances, possible uses under sec. 104 (d) are also included in this category. Therefore, estimates based on the best information now available are indicated above under subsec. (a) (h), (i), and (j). Balances not otherwise distributed are included under subsec. (f). This distribution is subject to revision when allocations have been completed.

³ In order to provide flexibility in the use of funds, many agreements provide that a specified amount of local currency proceeds may be used under secs. 104 (a), (b), (f), and

(i). In some instances, possible uses under sec. 104 (d) are also included in this category. Therefore, estimates based on the best information now available are indicated above under subsec. (a), (b), (h), and (i). Balances not otherwise distributed are included under subsec. (f). This distribution is subject to revision when allocations have been completed.

⁴ Total market value in table III (c) differs from total in table I (c) by the \$6 million estimated for ocean freight differential in the Indian agreement for which no rupee deposits will be required.

⁵ In some instances column totals do not add to total amount programmed because of slight differences in rounding.

The CHAIRMAN. Thank you very much, Mr. Garnett, for your statement.

You did not make any reference to the activities of voluntary agencies participating in this program. You do have religious organizations that work with you in this program, do you not?

Mr. GARNETT. Yes. That is authorized under section 416 of the Agricultural Act of 1949, as amended. This would continue. As far as the Department of Agriculture is concerned, this is administered by the Agricultural Marketing Service. We have their representative Mr. Howard Davis, here and he would be glad to answer any questions if you wish to discuss it.

The CHAIRMAN. Would he be able to tell the committee the volume of commodities that has been handled by the various religious organizations and church groups?

Mr. GARNETT. Yes.

**STATEMENT OF HOWARD DAVIS, DEPUTY DIRECTOR, FOOD
DISTRIBUTION DIVISION, AGRICULTURAL MARKETING SERVICE,
UNITED STATES DEPARTMENT OF AGRICULTURE**

Mr. DAVIS. During the fiscal year 1956, under the authority of section 416 of the Agricultural Act of 1949, the United States voluntary agencies distributed in some 80 countries around the world a total of 1,220,500,000 pounds of various agricultural surpluses, food surpluses. Those commodities had a value of approximately \$302.5 million.

So far in the first half of fiscal year 1957 they have distributed commodities valued at \$124.5 million and a total poundage of around 896 million pounds.

The CHAIRMAN. Do you have the actual cost of the project that was known as Operation Poinsettia?

Mr. DAVIS. No, sir. That was handled by ICA. I do not have any figures on that with me. I am sure we could get them for you.

The CHAIRMAN. Those commodities were made available from CCC stocks, were they not?

Mr. DAVIS. That is right, sir.

The CHAIRMAN. You have no record?

Mr. DAVIS. I am sure we have records. I do not have them with me.

The CHAIRMAN. Will you get that information for us and have it put in the record?

Mr. DAVIS. The total value of the surplus commodities?

The CHAIRMAN. Operation Poinsettia. That was last Christmas' program.

Mr. DAVIS. Yes.

The CHAIRMAN. What was the one before that?

Mr. DAVIS. Operation Reindeer.

The CHAIRMAN. Will you put the cost of Operation Reindeer in the record too?

Mr. DAVIS. We will get that also.

(The data referred to are as follows:)

Summary—Special title II Christmas package programs

	Poinsettia (1954)		Reindeer (1953)	
	Quantity (pounds)	Dollar value	Quantity (pounds)	Dollar value
Butter, 1-pound tins.....	4, 699, 569	3, 563, 449. 83		
Cheddar cheese, 1- and 2-pound tins and 40-pound blocks.....	4, 254, 472	2, 010, 651. 71	2, 785, 563	1, 232, 082. 49
Nonfat dry milk, 4½-pound containers and 200- to 225-pound drums.....	9, 642, 418	2, 195, 516. 26		
Shortening, 1-pound tins, 50-pound containers.....	3, 049, 187	934, 655. 39	6, 726, 444	1, 649, 475. 64
Cooking oil, 1-quart tins.....	5, 077, 355	1, 472, 023. 18	974, 700	185, 686. 39
Rice, 2-, 3-, and 100-pound containers.....	24, 566, 963	3, 184, 522. 45	5, 569, 496	709, 436. 34
Dried beans, 1- and 2-pound containers and 100-pound bags.....	8, 739, 933	1, 005, 307. 47	4, 999, 700	590, 718. 49
Total surplus foods.....	60, 029, 897	14, 366, 126. 29	21, 055, 903	4, 367, 399. 35
Beef and gravy, ¹ 1-pound tins.....	6, 071, 301	2, 294, 494. 83	9, 319, 291	4, 018, 848. 31
Raisins, ¹ 15-ounce cartons.....			2, 742, 390	246, 568. 52
Sugar, ¹ 1- and 2-pound containers.....			9, 519, 956	572, 176. 06
Honey, ¹ 1- and 60-pound tins.....			1, 037, 340	138, 692. 56
Evaporated milk, ¹ 14½-ounce cans.....			11, 446, 803	1, 386, 080. 67
Prunes, ¹ 15 ounce cartons.....			4, 999, 980	760, 213. 90
Total nonsurplus foods.....	6, 071, 301	2, 294, 494. 83	39, 065, 760	7, 122, 580. 02
Total all foods.....	66, 101, 198	16, 661, 971. 29	60, 121, 663	12, 139, 984. 67
Ocean transportation and accessorial charges from ICA appropriated funds.....		² 135, 017. 00		650, 005. 30

¹ Nonsurplus items added to programs to provide a better balanced food package.

² Poinsettia ocean transportation paid in part from title II funds. Balance paid from ICA appropriated fund.

The CHAIRMAN. Who is responsible for the distribution of these commodities in a country, we will say, like Italy?

Mr. DAVIS. We operate this program, under the legislation, by donating the commodities to qualified voluntary United States agencies. They in turn, through agreement with the Department of Agriculture, take the responsibility for the distribution of the commodities in the recipient countries.

The CHAIRMAN. You turn over, we will say, large quantities of commodities to the Catholic Church in Italy?

Mr. DAVIS. Yes, sir.

The CHAIRMAN. To what extent do the representatives of our Government supervise the final distribution?

Mr. DAVIS. We, through the cooperation of ICA, have arranged for the controller's office of that Agency in the various country missions to do some checking on these distributions. Also, eouncils of the agencies themselves in the recipient countries, with ICA participating, sreen the requests for commodities and so on.

The CHAIRMAN. How are the commodities identified so that the ultimate recipient will know who the donor really is?

Mr. DAVIS. As the law requires, every can or every package, and in the case of bulk commodities the bulk container is marked in English "Not to be sold or exchanged," among other things, and "This is a gift from the people of the United States."

The CHAIRMAN. That is in the case of bulk commodities?

Mr. DAVIS. The small individual packages are also labeled the same way.

The CHAIRMAN. So the recipient knows it is coming from the United States taxpayers rather than from some religious organization?

Mr. DAVIS. Yes.

I have just returned from an 8-week trip in the Far East observing the operation of this program, and I can certainly assure any citizen of this country that everyone who gets these commodities is very much aware where they are coming from. They know our non-fat dry milk from one part of the world to the other, and they know it as an American product and as a gift from the people of this country.

In order to further assure this, however, in most of the countries I have visited, the organizations themselves have printed little pamphlets in the dialect of the country in which the commodities are distributed, telling them how to use the commodity, its nutritional value, and also that it is a gift of the people of the United States.

I am quite sure that everyone I talked to in the lines waiting to get their commodities—through interpreters—were quite sure where these things were coming from.

The CHAIRMAN. Who passes on the eligibility or the need of the recipient? The religious organizations?

Mr. DAVIS. Although the requirement is that a United States citizen actually supervise the distribution, they cannot be in all parts of each country, but they do operate through local church groups and local communities. They have insured the eligibility in a variety of ways. Of course as far as institutions are concerned, it is fairly easy. An orphanage or a health center does not require a great deal of investigation to determine eligibility. As far as individual families are concerned, in many cases they use the designation that has already been made by the local authorities as to which families are indigent and the most needy. In many instances they use local community committees similar to the procedure used in Pennsylvania in our own country to screen the individual applicants and determine which are eligible.

The CHAIRMAN. You make these surplus commodities available to all church groups, do you not?

Mr. DAVIS. According to the law the agency, to qualify, must be approved by and registered with the Committee on Voluntary Foreign Aid, which is handled by ICA. Agencies are screened as to their general program, their financial responsibility, the responsibility of their leadership, and so on, and only those agencies which are approved by ICA are eligible to receive the commodities. However, any agency that meets those requirements can be eligible.

The CHAIRMAN. You do not operate through one religious organization to the exclusion of others?

Mr. DAVIS. No, sir. There are at present fifty-some agencies, I believe, that are qualified. However, at the present time there are only about 21 various agencies that are actually participating in the program. Those agencies are agencies like CARE, Church World Service, National Catholic Relief, American Jewish Joint Distribution Committee, Lutheran World Relief, and various other groups of that nature.

The CHAIRMAN. We had some information to the effect that in Italy you operated entirely through the Catholic Church. You say that is not true?

Mr. DAVIS. No, sir. CARE and Church World Service are also making distributions in Italy. However, obviously, because Italy is predominantly Catholic, the Catholic program is the largest in Italy.

The CHAIRMAN. Do you have some Protestant organization there that is eligible and is participating?

Mr. DAVIS. Yes; the Church World Service, and the American Friends Service, I believe, have a program there; and CARE.

The CHAIRMAN. To what extent has CARE participated in the program in the last year?

Mr. DAVIS. Quite extensively. So far in 1957, out of the total which I gave you of some 896 million pounds, CARE handled about 100 million pounds.

The CHAIRMAN. CARE handled some of it in 1956?

Mr. DAVIS. In fiscal 1957, so far in this fiscal year. I can give you the figure for fiscal 1956 if you would like. Around 113 million or 114 million pounds in 1956.

The CHAIRMAN. I have a list of the organizations, and they total only 20 in number. This list was obtained from ICA.

Mr. DAVIS. I said 22 were active at the present time. That could vary depending on the date you got your information. I have a list of the agencies that are eligible, and if you will bear with me one second I can give you the total number that are currently considered actively approved.

I am sorry I gave you the wrong figure before. The ones we consider actively approved at the present time total on my list 32. There have been many more that have been eligible but are not presently listed because they have not been active.

The CHAIRMAN. Will you list those in your testimony?

Mr. DAVIS. Yes, sir, I shall be glad to.

(The following list was submitted by the witness:)

UNITED STATES DEPARTMENT OF AGRICULTURE

AGRICULTURAL MARKETING SERVICE

FOOD DISTRIBUTION DIVISION

Washington 25, D. C.

AGENCIES APPROVED FOR PARTICIPATION IN THE FOREIGN DISTRIBUTION OF SURPLUS COMMODITIES UNDER SECTION 416 OF THE AGRICULTURAL ACT OF 1949, AS AMENDED

American Friends of Austrian Children, Inc., 202 East 19th Street, 9th floor, New York 3, N. Y.¹

American Friends Service Committee, Inc., 20 South 12th Street, Philadelphia 7, Pa.¹

American Fund for Czechoslovak Refugees, Inc., 1775 Broadway, New York 19, N. Y.

American Jewish Joint Distribution Committee, Inc., 3 East 54th Street, New York 22, N. Y.¹

American Korean Foundation, 345 East 46th Street, New York 17, N. Y.¹

American Middle East Relief, Inc., 350 Fifth Avenue, New York 1, N. Y.

American Mission to Greeks, Inc., 233 West 42d Street, Post Office Box 423, New York 36, N. Y.¹

American National Red Cross, Washington 13, D. C.¹

Assemblies of God—Foreign Service Committee, 160 Fifth Avenue, New York 10, N. Y.¹

Catholic Relief Services—NCWC, 451 Madison Avenue, New York 22, N. Y.¹

Christian Children's Fund, China Building, Richmond 4, VA.

Church World Service, Inc., 215 Fourth Avenue, New York 3, N. Y.¹

Congregational Christian Service Committee, 110 East 29th Street, New York 16, N. Y.

¹ Participating agencies as of July 1, 1956.

Cooperative for American Remittances to Everywhere, Inc. (CARE), 660 First Avenue, New York 16, N. Y.¹
 First Aid for Hungary, Inc., 6 East 56th Street, New York 21, N. Y.
 Foster Parents' Plan, Inc., 43 West 61st Street, New York 23, N. Y.¹
 Hadassah, Inc., 3 Thomas Circle, Washington, D. C.—62 East 52d Street, New York 22, N. Y.¹
 International Rescue Committee, Inc., 62 West 45th Street, New York 36, N. Y.¹
 Iran Foundation, Inc., 6807 Empire State Building, 350 Fifth Avenue, New York 1, N. Y.¹
 Lutheran World Relief, Inc., 50 Madison Avenue, New York 10, N. Y.¹
 Mennonite Central Committee, Inc., Akron, Pa.¹
 National Council of Young Israel, 3 West 16th Street, New York 11, N. Y.
 Pestalozzi Foundation of America, Inc., 41 East 57th Street, New York 22, N. Y.
 Romanian Welfare, Inc., 22 East 60th Street, New York 22, N. Y.¹
 Save the Children Federation, Inc., 345 East 46th Street, New York 17, N. Y.¹
 Tolstoy Foundation, Inc., 989 Eighth Avenue, New York 19, N. Y.¹
 Unitarian Service Committee, Inc., 345 East 46th Street, New York 17, N. Y.¹
 United Lithuanian Relief Fund of America, Inc., 105 Grand Street, Brooklyn 11, N. Y.¹
 United Nations International Children's Emergency Fund (UNICEF), United Nations Plaza, New York 17, N. Y.¹
 United Ukrainian American Relief Committee, Inc., 866 North Seventh Street, Philadelphia 23, Pa.
 Volunteer Border Relief, Inc., Post Office Box 981, Harlingen, Tex.¹
 World Relief Commission of the National Association of Evangelicals, 12-19 Jackson Avenue, Long Island City 1, N. Y.¹

The CHAIRMAN. What is the total amount in dollars that you have been able to give away in the last 12 months?

Mr. DAVIS. This is under the section 416 program. For fiscal year 1956 the total dollar value was \$302.5 million.

The CHAIRMAN. What was that?

Mr. DAVIS. \$302.5 million worth of commodities donated through these voluntary agencies in fiscal year 1956. The first half of 1957 totaled \$124.5 million.

The variation between the tremendously increased poundage the first half of this year as against all of 1956 and the relative smallness of the dollar volume is accounted for by the fact there have been increased shipments of commodities like flour and corn meal which represent a lower dollar value.

The CHAIRMAN. What is the overall total of expenditures of the operation through the voluntary agencies and through your own activities?

Mr. DAVIS. Administrative expenditures? I do not have that figure.

The CHAIRMAN. The dollar volume of your entire operation in the last year.

Mr. GARNETT. Under title I or under all of Public Law 480?

The CHAIRMAN. Military housing and other transactions, transactions of all kinds.

Mr. GARNETT. Mr. Chairman, it would be approximately \$1 billion under the 3 titles of the act.

The CHAIRMAN. At the rate that CCC stocks have been increasing and relating that to the decrease, you are in a program where you will never be able to give the commodities away. In other words, your stocks are increasing more rapidly than they are decreasing.

Mr. GARNETT. We expect a reduction, sir, in the CCC investment by \$700 million at the end of this fiscal year.

¹ Participating agencies as of July 1, 1956.

The CHAIRMAN. As to the \$700 million in the fiscal year, according to your statement the peak investment amounted to almost \$9 billion in February 1956—\$8.9 billion. Now you still have \$8 billion on hand, do you not?

Mr. GARNETT. Yes.

The CHAIRMAN. You only reduced it \$700 million a year so that if we continue for 12 or 15 years, we will need that time in order to get rid of these stocks?

Mr. GARNETT. Mr. Chairman, I think this illustrates the great magnitude of our surpluses.

The CHAIRMAN. There is no doubt about that.

Mr. GARNETT. That is the reason we have been so anxious to shut off the problem at the source.

The CHAIRMAN. I had no idea that you were facing this situation and that you are taking it in as fast as we can "dish it out" around the world. Either we have to step up the give-away program or do something about controlling the intake of CCC stocks.

Mr. GARNETT. As you know, sir, our exports this year are running at an all time high. Our total exports this year will approximate \$4.5 billion. This will be the highest of record in tonnage, as well as in dollar value, and of that \$2.6 billion will be sold in commercial markets outside of Government programs. This will be the highest dollar value export except for the Korean years of 1952-53.

The CHAIRMAN. That is only natural that that should be, because you throw in \$1 billion of give-away programs. That would boost your exports. Our normal business transactions—

Mr. GARNETT. Are also at an all time high except for one year.

The CHAIRMAN. What would that amount to?

Mr. GARNETT. We expect our dollar exports to run at \$2.6 billion. This would be the highest dollar commercial export level except for the year of the Korean crisis.

Mr. THOMPSON. Is that for the current fiscal year?

Mr. GARNETT. For the year ending June 30, 1957.

Mr. ABERNETHY. Is that for all agricultural commodities in export?

Mr. GARNETT. That is for all agricultural commodities.

Mr. ABERNETHY. How much?

Mr. GARNETT. \$4.5 billion.

The CHAIRMAN. You do not mean all of that? That is not all agricultural commodities?

Mr. GARNETT. Agricultural exports.

The CHAIRMAN. Our total exports?

Mr. GARNETT. They would run a little over \$17 billion.

Mr. ABERNETHY. Then when you say \$4.5 billion, what are you you talking about?

Mr. GARNETT. I am talking about \$4.5 billion of agriculture exports.

The CHAIRMAN. Which includes the giveaway program?

Mr. GARNETT. Which includes the giveaway program.

The CHAIRMAN. These stocks amounted to less than \$2.5 billion in 1953. From 1953-56—3 years—these CCC stocks increased from \$2½ billion to almost 8 billion.

Mr. GARNETT. Yes.

The CHAIRMAN. Yet Mr. Benson has been telling the country and us that surpluses are disappearing and markets are returning. It looks as if surpluses are returning and markets are not expanding rapidly.

You could not say that the surpluses are disappearing when the record shows that the intake is more than the outgo.

Mr. GARNETT. The level of our exports has been increasing during the time that these programs have been in effect. Our export levels have increased from \$2.8 billion a year to \$4.5 billion a year. This is a very large increase. This will be the first year in which there will be a downtrend in the investment in CCC commodities in total. It will be the first downtrend in our holdings of wheat and cotton and rice.

The CHAIRMAN. If it did not take in anything else into its inventories, the CCC, at this rate, would take 10 or 12 years to give the commodities away would it not?

Mr. GARNETT. It would take quite a long time.

The CHAIRMAN. \$700 million a year and you have these billions and it would take 10 or 12 years?

Mr. SIMPSON. Spoilage might help.

The CHAIRMAN. I was coming to that. How much of the CCC stocks have spoiled or deteriorated?

Mr. GARNETT. Sir, I am not in a position to answer that. We could get that for you. I do not keep my finger on that.

The CHAIRMAN. I know you do not, because you were looking after another phase of it. We will get somebody from the CCC to tell us that. Do you have any suggestions as to how we might settle this disposition and use for stock of commodities?

Mr. GARNETT. I think that the big hope, Mr. Chairman, is to adjust the domestic supply situation. I can only say, from the standpoint of the exports, that we are moving them at a very high level relative to any period in the past. There are limited opportunities to move into export under any sort of a program. I do not see any likelihood of any great increase in our exports from here. I think it is more likely, for example, that next year there may be some reductions.

The CHAIRMAN. In the exports?

Mr. GARNETT. In the exports; yes, sir.

The CHAIRMAN. Does this \$1 billion include any part of the domestic program?

Mr. GARNETT. No, sir.

The CHAIRMAN. All entirely export?

Mr. GARNETT. This is the export. Of the total CCC liquidations, 85 percent of it has moved into the export market last year.

The CHAIRMAN. So this is 85 percent of the total expenditures?

Mr. GARNETT. No, sir; those figures could not be put together. Last year the total sales of the CCC, 85 percent went into the export market. That liquidation is included in the total \$4.5 billion. Some exports moved under title I that were not in inventory, such as cottonseed, soybean oil, meat, lard, and some of those products.

The CHAIRMAN. What were the total expenditures from CCC stocks in these giveaway programs last year? Is this figure 85 percent of it?

Mr. GARNETT. We do not have it.

The CHAIRMAN. What I am trying to get is this: If we gave \$1 billion—

Mr. GARNETT. Excuse me, of the CCC sales, a lot of it was sold for cash.

The CHAIRMAN. I am not talking about the sales. I am talking about the giveaway part of it.

Mr. GARNETT. The giveaway—and I would like, if I may, to modify that—in this \$1 billion that I gave you, there is barter. There is about \$300 million in barter. That should not be considered as a giveaway. Under title I of 480, there is approximately 25 percent recovery immediately to the CCC. That should not be considered as a giveaway.

The CHAIRMAN. I am not complaining about that. Do not misunderstand me. Now, if we bartered away and gave away \$1 billion, how much did we give to our own needy people here at home?

Mr. GARNETT. I do not have that.

The CHAIRMAN. Mr. Davis, do you have that?

Mr. DAVIS. Yes, sir. We have the two giveaway programs in the same spot in agriculture, so that we can make sure that the domestic needs are met first. The figures I have here show the domestic donations of surplus commodities including a number of commodities that are not under price support and would not be considered CCC inventory commodities, just as in the case of some of the title I commodities. However, including such items as lard, hamburger, pork, turkey, and so on, the whole list of commodities that we have donated domestically, the total for 1956 was valued at \$234.6 million. For the first half of 1957, \$140.7 million.

Mr. HOEVEN. You are now operating under a \$3 billion appropriation under section 1, are you not?

Mr. GARNETT. Yes, sir.

Mr. HOEVEN. How much money will remain unexpended, if any, on June 30 of 1957?

Mr. GARNETT. We will have committed approximately all of that in agreements with various countries. There will remain a considerable portion—about half—of the 3-year Indian and Brazilian programs that will not have been shipped by that time.

Mr. HOEVEN. Does that include administration expenses?

Mr. GARNETT. No, sir; the administrative expenses on this are included in the regular appropriation.

Mr. HOEVEN. I notice in your statement you plan to use somewhat less than 2 percent of foreign currency to develop agricultural markets abroad. It seems to me that developing agricultural markets is a very important part of the program. Do you think that the 2 percent figure is enough?

Mr. GARNETT. Yes, sir. There are limits on the amount of these funds that can be used in promotional activities. Out of about \$30 million that have been earmarked, we have only programmed, approved, \$5.9 million. We have gone just about as far as we think is feasible. In some projects, we will withdraw if they do not show good results.

Mr. HOEVEN. Do you know anything about the status of negotiations with Poland at the present time?

Mr. GARNETT. Yes, sir; I do.

Mr. HOEVEN. I wish you would give the committee any information relating to the negotiations to date, as far as you can disclose what has been going on.

Mr. GARNETT. Mr. Chairman, as you know the primary consideration with Poland is that of foreign relations. This is of a very sensitive nature. Within the Department of Agriculture, we have made our resources available, and we are very much interested in any possibilities that may be there. We do feel that in this case the overriding considerations are those of foreign relations.

Mr. HOEVEN. What does Poland want?

Mr. GARNETT. I think, as you know——

Mr. HOEVEN. Do they want any corn, soybeans, or lard?

Mr. GARNETT. Yes, sir. They have sent in a request which you have no doubt read about that totals about \$300 million and a portion of which is for farm products. They are interested in some grains and some oils, lard, and some other products. Cotton is one of the products that they are interested in.

Mr. HOEVEN. Do you think that the negotiations would be a first step toward a trade agreement providing for lower duties on Polish hams?

Mr. GARNETT. No, sir; I would not say that that would follow.

Mr. HOEVEN. Do you favor higher duties on imported hams from Poland?

Mr. GARNETT. The Polish hams, sir, are a specialty product that come in. Our exports of meat and animal products have now come to the point of exceeding very greatly our imports of these specialty products.

Mr. HOEVEN. Do you favor higher duties on imported Polish hams?

Mr. GARNETT. No, sir. My job, sir, is to carry out the law given to us by the Congress. This is a congressional matter. The duties, I believe, are 3 cents a pound on these hams.

Mr. HOEVEN. I happened to be in one of the large markets in Washington the other day and saw a special display of Polish imported hams. I am just wondering what this all means at the very time when we are worrying about low priced hogs in Iowa.

Mr. GARNETT. Let me say that those are specialty hams. They go to a Polish community for the most part in this country. They amount to about \$20 million a year.

The CHAIRMAN. Mr. Simpson.

Mr. SIMPSON. Mr. Chairman, I would like to turn to Mr. Garnett's statement for a moment. In his statement on page 2, the second paragraph, he states that there are agreements signed today which will result in foreign currency payments of approximately \$2 billion. Then he goes on to say that in round figures about one-fourth of the total will be used to meet United States expenses abroad.

Does this increase the counterpart funds in these countries?

Mr. GARNETT. The law provides, Congressman Simpson, that the currencies be deposited to the account of the United States. This is somewhat different than the counterpart of the past in which the currencies always remained the property of the receiving country. As to whether or not this increases counterpart funds, they do not fall quite in the counterpart category. It does increase the amount of currency in this country available to the United States.

Mr. SIMPSON. Would it be available for a Member of the House or Senate to go to one of these countries and use those funds? If they

do, you will have to send some more. I would still like to answer to that.

Mr. GARNETT. There has been a case where they have been used for that. Only one committee, to my knowledge, has done that. When we say "Government uses" this means the sale of those currencies to other Government agencies, such as the military and the State Department.

Mr. SIMPSON. In your opinion, will this or will it not increase counterpart funds in these countries?

Mr. GARNETT. To answer your question directly, these are not counterpart funds and will not be related to that.

Mr. SIMPSON. On page 1 of your statement, it seems to me that when you say agreements have been signed with 30 countries totaling about \$2.9 billion at CCC cost, and about \$2 billion at market value, that indicates a loss to the CCC, does it not?

Mr. GARNETT. The difference between those 2 figures represents 2 things. One is that the CCC acquirement cost of the product is well above the world market level.

Mr. SIMPSON. I think it was the intent of the Congress to sell some of these CCC commodities at a loss and I would like to know if that is what it does?

Mr. GARNETT. It does.

Mr. SIMPSON. I think that Chairman Cooley answered the question a while ago when he said that it would take 10 or 12 years to get rid of these surpluses. The thing that occurred to me before he asked that question is, suppose you do get rid of all of those surpluses and stop all of these giveaway programs. What answer are you going to give to these people, if they are still expecting it?

Mr. GARNETT. I think that is one good reason why these programs can be considered as temporary.

Mr. SIMPSON. Public Law 480 is temporary legislation, as I understand it, and that is why you are asking for an extension. Still, I would like to know what attitude a country is going to take if you have been giving them a lot of food and then you get these surpluses reduced to where we do not have to give them away any more. What attitude is that country going to take?

Mr. GARNETT. This will undoubtedly cause problems. Under these programs there are countries that are maintaining a level of consumption which they will not be able to maintain with their own resources.

Mr. ABERNETHY. That leads up to foreign aid.

Mr. SIMPSON. I am not voting for any giveaway program, even if it is in the budget.

On page 5, program results, you have an estimate there showing that this operation would result in \$900 million loss.

Mr. GARNETT. Page 5?

Mr. SIMPSON. Yes, under program results.

Mr. GARNETT. Yes.

Mr. SIMPSON. That is a \$900 million loss?

Mr. GARNETT. Yes, sir.

Mr. SIMPSON. Here is one that I would like a little explanation of. On page 10, you state that we have 10 tobacco projects in operation in Austria, Finland, France, Italy, Japan, Korea, Spain, and Thailand.

You say that all of these projects are aimed at greater use of our tobacco in the manufacture of cigarettes.

Mr. GARNETT. Yes, sir.

Mr. SIMPSON. Are you establishing cigarette factories there?

Mr. GARNETT. No, sir; we are trying to encourage them to use United States leaf rather than leaf from other origins.

Mr. SIMPSON. I thought it might mean the establishment of cigarette factories.

Mr. GARNETT. No, sir.

Mr. SIMPSON. At the bottom of page 10 you say, "In addition, about \$100 million has been allocated for the purchase or construction of military family housing in 8 countries." That housing is for our military people who take their families to these countries?

Mr. GARNETT. That is correct.

Mr. SIMPSON. When we think we have peace in the world, what happens to those houses? What happens when we bring our boys back?

Mr. GARNETT. The housing will revert to the receiving country.

Mr. SIMPSON. In other words, it will be a giveaway? It will be a gift?

Mr. GARNETT. It will be a gift, sir.

Mr. SIMPSON. If our forces should move out of these 8 countries, and then the country would automatically get those \$100 million worth of houses?

Mr. GARNETT. That is correct.

Mr. SIMPSON. Is that considered a loss or is it figured in the losses?

Mr. GARNETT. No; this is not part of the loss. The \$900 million loss is the difference between the world prices and the CCC acquirement costs.

Mr. SIMPSON. At the bottom of page 11, you have asked for an additional billion dollars. I do not know what the attitude of the House of Representatives will be on the additional billion dollars, the way they have been acting lately, but this billion dollars is included in the budget estimate, is it not?

Mr. GARNETT. Yes, sir.

Mr. SIMPSON. That is all.

The CHAIRMAN. Mr. Smith?

Mr. SMITH. I had a question in regard to what Mr. Hoeven was talking about, these Polish hams.

Do I understand you to say that there was imported just \$5 million worth last year?

Mr. GARNETT. No, sir. I said that my recollection is about \$20 million worth of hams came in from Poland. There are hams that come in from other Western European countries. I believe that there are small quantities of other processed pork products.

Mr. SMITH. I am talking about hams and shoulders. If I can, I read your reports put out every month on the number of imports of hams and shoulders and it is always hams and shoulders. You have about 6 or 7 countries on that?

Mr. GARNETT. Yes, sir.

Mr. SMITH. Imports?

Mr. GARNETT. Yes, sir.

Mr. SMITH. If you take all of those hams and shoulders that come from those countries, all of the States lying against the Atlantic

Ocean could produce that many hams and shoulders and you say it is good business to send them in here?

Mr. GARNETT. I made myself rather clear. I think, Mr. Congressman, that my job is to help carry out the laws that are given to us. I did not express an opinion. I would like to point out that among those countries that send us the hams, they buy about a billion dollars worth of farm products a year. This trade does enter into the total exchange of goods, and it is very helpful to our agricultural economy to export hides and skins, lard, tallow, cotton, and other products that go into the trade picture.

Mr. SMITH. For the last 6 years, I have been trying to get some department of the Government to tell me in simple language about this. They will tell you how many things we export and how many jobs are created in America. How many jobs are created by this, they will tell you. After all, the sum and substance of this, and the thing that should be boiled down is that exports mean jobs and jobs mean taking care of the family. There is not any agency of the Government that will tell me how many jobs we lose by raising our agricultural imports.

Mr. GARNETT. Our agricultural exports are far more important than our imports. They have a much greater beneficial effect on our agricultural economy. We have legislation in the books in the form of section 7 of the Trade Agreements Act and section 22 of the Agricultural Adjustment Act which gives legislative machinery to give relief, if there is injury.

Mr. SMITH. Why cannot the Department balance its books in jobs? Tell me how many jobs we lose by raising our imports and how many by exports? They ought to balance.

Mr. GARNETT. I do not want to be difficult, and I want to be as helpful as I can, but we have a tremendous stake in exports. The benefits from our exports are tremendously greater and more important than the minor imports that result from these competitive products. If we did just what you say, if we balanced the books on a labor basis, then we would be throwing much more weight to our export market.

Mr. SMITH. You are saying that we do not lose jobs by exports, are you?

Mr. GARNETT. I say that we gain immensely more than we lose. We gain immensely more from our exports than we lose from our imports. The imports are specialized products in the cases that you referred to. They contribute to and help facilitate the export of lard, tallow, hides and skins, vegetable oils, soybeans, and many other important farm products.

Mr. SMITH. You are also pointing out how many imports you have. That is cocoa, coffee, and the products of that sort. That is where you get all your imports in here.

I am talking about something that affects the American farmer.

Mr. GARNETT. Our exports have a very great and important effect on the American farmer.

The CHAIRMAN. Mr. Matthews?

Mr. MATTHEWS. I would like to pursue the line of questioning that Congressman Smith has followed in a little bit different way.

I have noticed that several representatives of the Department of Agriculture, in testimony before the committee, have said that we are

now at the peak of our agricultural exports, that we cannot anticipate such a peak next year.

Why is that, sir?

Mr. GARNETT. As I pointed out this year, our exports are at a very high level. There will be some stock accumulations in cotton, some in grains, that will not be repeated. Some of our high-level exports this year are due to low production of cotton in some areas and wheat and feed grains in other areas which, assuming normal weather, we will not benefit from in another year.

Let me assure you that we are going to do everything that we can to maintain them at the highest level possible, but we do not want to give any false promises. We think there is a likelihood that there will be some dip next year, primarily because of the growth of foreign stocks, because they have stockpiled some and because we are likely to have better crops this year in certain areas.

Mr. MATTHEWS. Would a possible decrease in exports be due, in your opinion, also to competition that we might receive from development programs in other countries which are now, because of our economic assistance, producing a lot of agricultural commodities, and because of that increased production, deprive us of agricultural exports?

Mr. GARNETT. I would not want to depreciate in any way the effectiveness of our foreign-aid programs in agriculture, but I do not think that they have had any great influence on the competition in exports.

Our competition, for instance, in cotton has come quite largely from Mexico, where we have no aid program.

The countries of the Middle East, are another example. We have had a great agricultural program in Turkey. We will be exporting three-quarters of a million tons of wheat this year and next year to Turkey.

I do not want to confuse you by being too lengthy. I am just saying that when you get right down to measuring the effect of our various programs on competing exports, they have not been really important; that in most of these countries where there are aid programs, population is increasing at the rate of anywhere from 1½ to 2 percent or 2½ percent per year.

These countries are very hard pressed to keep their internal production up to the population growth. There are demands in those countries for increasing their standards of living.

Mr. MATTHEWS. I do not mean to specify any commodity as a member of this committee. I feel that all of our commodities are in one bad mess, but I do have flue-cured tobacco in the Eighth District of Florida, my district, and I have understood that this year we exported about 530 million pounds.

If we had not, I do not know in what worse condition we would have been. We really would have been in a tragic condition. Now I understand we are taking technicians through some of our Government programs, and we are going into certain areas of the world, and teaching them how to produce this particular type of tobacco, and what I am concerned about, not only, of course, with this commodity, but with all commodities, as we increase their know-how and they produce this particular commodity, my concern is that that will deprive us of future agricultural exports.

Mr. GARNETT. This is certainly a justifiable and understandable concern. However, our principal competing exports of tobacco are coming from Southern Rhodesia and from Canada, where there has been no special Government program, as such.

It is rather difficult to keep them from learning some of our techniques. We have not had a Government program to stimulate competing tobacco production.

Our problem in tobacco at the present time is more with pricing.

Mr. MATTHEWS. Thank you, Mr. Chairman.

The CHAIRMAN. Are there any further questions?

Mr. ABERNETHY. Yes.

The CHAIRMAN. May I interrupt you a minute? If you do not mind standing aside, I shall call two witnesses who have to take planes out of Washington at 12 o'clock?

Mr. GARNETT. Yes, sir.

The CHAIRMAN. If you will, please, step aside for the moment.

Mr. Polk, of Ohio.

Mr. POLK. Mr. Chairman and members of the committee, I would like to introduce Reverend Rogers of Ohio, who is a director of the town and country department of the Ohio Council of Churches. He has had a great amount of experience in this food problem in foreign countries.

He has visited about 20 countries, I believe, in the past 8 years. He has been engaged in this problem of getting food through the church organizations.

I am sorry we do not have more time for Reverend Rogers, because I think he is one of the best informed men in the country on this subject. I will not take more of his time.

STATEMENT OF REV. CLYDE N. ROGERS, OHIO COUNCIL OF CHURCHES

Reverend ROGERS. Thank you, Mr. Polk, and Mr. Chairman.

Members of the committee, may I express my appreciation for again appearing before you for a moment. Instead of giving a prepared statement, you will have a prepared statement by the American Council of Voluntary Agencies, and I would like simply for a moment to reenforce some of the things that they will say to you out of my experiences, and also out of our responsibility in the State of Ohio, as I work not only with the church agencies but with the various rural groups there who have been interested in the total 480 law, and especially that part that relates to the voluntary agency.

I would like to make three points, if I may, and if you would like to ask any questions on those, I will be glad to do whatever I can to answer them.

The first point that I would make is that the people of Ohio have proven, by their appreciation, that they believe in Law 480 that makes surplus foods available to needy people in various parts of the world.

The reason I know of this is because I have been responsible for the Christian rural overseas program in the State of Ohio for 5 years, and the top leaders of our rural agencies in that State have worked with us. For instance, Mr. Polk has in his hands a copy of the Ohio Christian News, which is our publication, and on the front page for October

is the picture of Mr. Elmer Cruze, who used to be head of the Commodity Credit Corporation, and Mr. Cruze was one of our leaders last fall in solicitation for the people of Auglaize County, which is his home county, as a churchman and as an agricultural leader.

He, along with the thousands of other people who have volunteered their time, have shown that they believe in this, because they believe that food that is in storage in our warehouses in Ohio, which is rotting, much of it, should be used, I would say, as a means of relationships with other people around the world, to prove our concern for them and our interest in these people.

The second point that I want to express, it was my privilege last summer to be in Korea. Through one of the members of the Senate, who was our Governor for a time, Gov. Frank J. Lausche, whose picture is on the front page, I was able to meet with President Syngman Rhee.

I would like to quote from President Rhee two things that he said to me there. He said:

As we have rebuilt our country since the Korean war, we could not have done it had it not been for the American Government. We appreciate what the Government has done, but most of all, we have appreciated what the churches have done in helping our people to help themselves.

Again and again he emphasized that. Through Mr. Rhee it was my privilege to meet with the top leaders who are handling the food relief program in that country.

I would say to you that the appreciation was all the way up and down the line, and as I visited out in some of the smaller communities, with the local committees that were doing a job of distribution, I can vouch out of my experience for these facts: That it is not getting in the way of trade, the type of program that is being carried out.

I think we must always safeguard it from that viewpoint, but that it is helping people to reclaim themselves to where they can become a market in the future, to me that is one of the very important points that I think we should continue.

The third point that I would simply make would be this: That we, in Ohio, are interested in seeing Law 480 renewed for at least 1 year. I would suggest that that be done.

The second thing that I would say under that is that, during the time, I would like to see—and I am simply speaking for myself at this point now—from your own committee and from the Foreign Relations Committee in the House, and I do know that some studies are being made over in the Senate, a down-to-earth study be made, not what I would call a study made in the high brass, but as to the effectiveness of these kinds of programs.

I, for one, believe that we are going to live in an age of abundance. I hope that we do. I hope that we never have scarcity again, but I do not think that agriculture ought to have to pay the bill.

If it is good for other nations, then I think the bill might well be paid as a part of a total foreign relations program, and I am most interested at that point that we, through Congress, be sure that this is a part of a constructive program.

If it is not constructive, we have no business doing it. I believe that we, as Christian leaders—and I think, as I speak to groups like you, that you are that kind of persons—are concerned that we help people in the end to help themselves, and by helping them to help

themselves, trade will be enlarged and these other things, on the whole, will be to the advantage of our Nation and other nations of the world.

I make one final proposal at this point: I believe that in an age of abundance, which we will have to have, that we must have agricultural products which—I would like to use the term—“can be insulated from the market,” and that those agricultural products can be used both in our school luncheon programs at home, and in foreign aid abroad, but not suddenly to be dumped back into the market, which will cut farmers’ prices, because we believe in the farmer know-how, and that he ought to have an income that is equitable with any other group, and if we are to have this abundance, we have got to have some way of keeping that abundance from suddenly being dumped on the market and wrecking the farmers’ prices.

Gentlemen, I know that I have just barely touched these things. I did not know when I came to Washington that I was going to be speaking before the committee. I was here on another matter, but was asked to do so, and for that reason I do not have a prepared statement.

Mr. GATHINGS. We are glad to have you, Reverend Rogers. I wondered where these 200 pigs came from that were delivered to Synghman Rhee.

Reverend ROGERS. I appreciate having a word to say about that, because we are interested not only in food relief, but in helping people to help themselves, and last summer it was my privilege, through the CROP program and the heifer project, to go to Korea and to make that official presentation.

Rather than pay the cost of the freight of the pigs from Ohio to California, we took the funds which had been donated by the people of Ohio to this project and bought the pigs out in California through the Breeders Association in the State of California.

Then they were flown across the Pacific. The funds were actually raised in Ohio. It would have cost us about \$40 per pig to have flown them across the United States from Ohio, and for that reason we bought them in California.

I think I could say one word about that, and I know Russell Stevenson, who is back here, could speak further about this. There were a group of 300 pigs moved to Korea in 1953. Last summer a report of those 300 pigs was that from their offspring over 18,000 were being used in 4-H clubs, in Bible projects, and in a breeding program in Korea.

I hope to go back to Korea in the next 2 or 3 years and see what happened to the pigs that we took there last year.

I do not think that kind of thing is going to compete with our trade in the United States, but simply to have people have what they need, in order to live as respectable people around the world.

Mr. GATHINGS. Thank you very much.

Mr. Hoeven wanted to ask a question.

Mr. HOEVEN. CROP is doing a fine piece of work.

If I am not mistaken, the State of Iowa is one of the leading contributors to the CROP program.

Reverend ROGERS. Last year it was fourth. Kansas was first last year. The second State was Illinois, and the third was Ohio, and Iowa was fourth. I happen to know that nationally.

We appreciate what you folks have done out there. I note, when I first spoke here 3 years ago, you were one of the persons that quizzed

me about corn. I told you at that time that I am a southerner. I like cornbread twice a day so far as I am concerned, but that corn is not as good a relief food as some other things, but corn products are greatly needed.

Mr. HOEVEN. I think I suggested at that time that we teach these people overseas to eat cornmeal and cornbread.

Reverend ROGERS. Yes. I saw them eating some in some places I have been. We are glad for that part of the program. The point I want to make is this: Everywhere I went there was an emphasis in refugee areas on a need for sweets and you folks said at that time you wanted to see corn sirup as one of those things as part of the processing funds.

I am afraid we have not gotten much of that yet because of some problems involved, but I still think it ought to be done. I know the voluntary agencies are continuing to ask for it.

Mr. GATHINGS. Reverend Rogers, you are in favor of the \$1 billion increase in capitalization for Public Law 480?

Reverend ROGERS. Yes. I hope that we will be able to have larger quantities of these surplus foods of different sorts, and that these funds, as stated in the American Council of Voluntary Agencies report—and you will find it here—in which they indicate a part of this enlargement. You will get that report from them when they officially appear.

My statement is simply to reinforce that.

Mr. GATHINGS. Thank you very much.

Mr. Polk, do you want to introduce any other witnesses?

Mr. POLK. No.

Reverend ROGERS. Again, thank you, Mr. Polk, for your fine statement. I appreciate getting in, so that I can catch this plane.

Mr. POLK. Do not miss the plane.

Reverend ROGERS. Thank you.

Mr. GATHINGS. Thank you very much.

There has been a change. We will hear Russell Stevenson, from New York.

We will be glad to hear from you, Mr. Stevenson.

STATEMENT OF RUSSELL STEVENSON, AMERICAN COUNCIL OF VOLUNTARY AGENCIES FOR FOREIGN SERVICE

Mr. STEVENSON. Mr. Chairman and gentlemen of the committee, my name is Russell Stevenson. I am from New York City. I am appearing today on behalf of the American Council of Voluntary Agencies for Foreign Service, and representing that organization.

(Mr. Stevenson's prepared statement follows:)

STATEMENT OF RUSSELL STEVENSON, AMERICAN COUNCIL OF VOLUNTARY AGENCIES FOR FOREIGN SERVICE

Mr. Chairman and gentlemen of the committee, my name is Russell Stevenson of New York City.

I am appearing here today on behalf of the American Council of Voluntary Agencies for Foreign Service, and representing that organization. I happen to be also director of Asia program of Church World Service of the National Council of Churches of Christ in the United States of America, one of the member agencies of the American Council of Voluntary Agencies, whose membership comprises a large number of sectarian and nonsectarian humanitarian organizations, as listed on the reverse of this sheet.

I am happy to present the following statement on behalf of the member agencies of the American council.

Since July 1954, when the Congress enacted Public Law 480—the Agricultural Trade Development and Assistance Act of 1954—(amended in June 1956, with resulting additional facilitation for disposal by American voluntary agencies), the agencies have been able to plan and gradually expand the distribution of surplus commodities through their ongoing programs so that by the end of June 1957 they will have shipped more than \$1 billion worth of United States Government donated food to 78 countries and areas of the world.

There is general agreement that the distribution of these commodities by the American voluntary agencies has been on a nondiscriminatory basis to those in greatest need. Machinery was set up to avoid duplication, and the aid given through the agencies has not interfered with national or international economies. Every effort is made to assure that the American origin of supplies is known to the recipient individuals and organizations overseas, and most important of all, lives have been saved and hope renewed among dispossessed and uprooted people.

The agencies are appreciative and deeply grateful to the Congress for making these programs possible through their understanding and wise legislative action.

We come today to speak in behalf of H. R. 5534, “a bill to extend the Agricultural Trade Development and Assistance Act of 1954, and for other purposes.” We believe that this bill, if enacted, will, from the point of view of those titles and sections which concern the voluntary agencies, contribute to the preservation of the unquestioned gains achieved throughout the world by the ongoing feeding and welfare projects of these agencies.

We have two suggestions to offer. The first is that at least title II of the act be extended for a period exceeding the 1 year specified in the bill; a 2-year period would be, for our purposes, preferable. There might need to be made certain adjustments in the money clauses, as a result.

The second suggestion is of a more basic nature. The agencies have a firm conviction that the people aided through these feeding programs overseas should be helped to become self-sustaining, so that when these surplus commodities are no longer available, their health (and often their very lives) will not suffer as a result, nor the good will which has been engendered for the people of the United States diminish.

We believe we have a responsibility to these people to “help them help themselves” in anticipation of the time when the large-scale feeding programs cease. We have, therefore, within the limits of our present means, attempted to meet this problem through the initiation and expansion of rehabilitation and self-help projects in the areas where feeding programs are being carried on. But what the agencies can do out of their immediate resources is not enough, particularly in view of their large cash outlays in the food distribution programs. We believe it would be fitting and appropriate if through legislation provided in Public Law 480 they could increase their activities in the self-help field. This is particularly pertinent at this time as regards the situation of many refugee groups around the world.

We suggest that under title I of Public Law 480, as amended, an additional provision be added to section 104 as follows:

“(i) For the financing of reconstruction, rehabilitation, self-help and other technical assistance-type projects by American voluntary nonprofit agencies registered with and recommended by the Advisory Committee on Voluntary Foreign Aid.”

MEMBER AGENCIES

American Baptist Relief
 American Bureau for Medical Aid to China, Inc.
 American Federation of International Institutes, Inc.
 American Friends of Russian Freedom, Inc.
 American Friends Service Committee, Inc.
 American Fund for Czechoslovak Refugees, Inc.
 American Hellenic Progressive Educational Association—Refugee Relief Committee
 American Jewish Joint Distribution Committee, Inc.
 American Middle East Relief, Inc.
 American National Committee to Aid Homeless Armenians (ANCHA)
 American ORT Federation, Inc.
 American Relief for Poland, Inc.
 Boy's Towns of Italy, Inc.
 Brethern Service Commission

Catholic Relief Services, National Catholic Welfare Conference, Inc.
 Church World Service, Inc., National Council of the Churches of Christ in the
 U. S. A.
 Cooperative for American Remittances to Everywhere, Inc.
 General Council of the Assemblies of God, Foreign Service Committee
 Heifer Project, Inc.
 International Rescue Committee, Inc.
 International Social Service, Inc., American Branch
 Iran Foundation, Inc.
 Lutheran Refugee Service
 Lutheran World Relief, Inc.
 Mennonite Central Committee, Inc.
 National Travelers Aid Association
 Near East Foundation
 Russian Children's Welfare Society, Inc.
 Salvation Army
 Selfhelp of Emigres from Central Europe, Inc.
 Tolstoy Foundation, Inc.
 Unitarian Service Committee, Inc.
 United Friends of the Needy and Displaced People of Yugoslavia, Inc.
 United HIAS Service, Inc.
 United Lithuanian Relief Fund of America, Inc.
 United Seamen's Service, Inc.
 United Ukrainian American Relief Committee, Inc.
 World Relief Commission of the National Association of Evangelicals
 World University Service
 Young Women's Christian Association, Inc. (World Emergency Fund)

Mr. STEVENSON. This, sir, is the total of our testimony that we have prepared for you.

Mr. GATHINGS. Thank you kindly.

I wondered if you could address your opinion as to the value of the Agricultural Trade Development Assistance Act as amended in 1956. Is it making friends for America throughout the world?

Mr. STEVENSON. Sir, I would consider that one of the most important things I could say, and that is a very positive conviction.

I have traveled over a period of 5 years in practically every country in Asia and the Middle East and the Caribbean. I have observed, and helped, in the direction of these programs, and I think that it is impossible to calculate the good will and the friendship down at the level of person-to-person, where good has accrued because of this facility. I think there is no doubt about it.

The CHAIRMAN. The 1954 act provided for these agencies to do the work. Do these supplies really reach the people who need them?

Mr. STEVENSON. I think they do, sir. I do not know if you would like me to illustrate, out of any particular country that the committee may have a special interest in, but we have countless thousands, and when you think not only of my own agency which happens to be Church World Service, but of the facilities through the Catholic and Jewish and the Friends and other organizations, we have thousands of voluntary representatives who are in these countries who know the language, who have good relations with government, and are in a position, it seems to me, to determine where the needs are greatest and then to apply these resources against that need.

The CHAIRMAN. I should like to ask you about this list of organizations on the back of this sheet.

Mr. STEVENSON. There are 40, I believe.

The CHAIRMAN. How many are there?

Mr. STEVENSON. I believe there are 40.

The CHAIRMAN. Without objection, I think that list should go into the record.

Without objection from committee members, the list will be made part of your testimony.

(The list referred to appears at the end of Mr. Stevenson's prepared statement.)

The CHAIRMAN. Are there any questions?

Mr. HAGEN. I would like to ask two questions.

The CHAIRMAN. Mr. Hagen.

Mr. HAGEN. Do your people take these goods down to the ultimate consumer or do you turn them over to some Government agency in the country?

Mr. STEVENSON. The great majority of the goods we distribute directly to the ultimate consumer.

Mr. HAGEN. You have people over there?

Mr. STEVENSON. Yes, sir. In India, for example, which comes to mind, our main offices are in Delhi. We have 3 port offices in Bombay, Calcutta, and Madras, and throughout the country we have 3,500 contact persons, and beyond those contact persons there are then American missionaries, schoolteachers, relief workers, pastors—people in various categories who, again help the system to fan out so that the actual pound or container of powdered milk does go to the needy Indian in a way that it can be supervised and followed through.

Mr. HAGEN. In that instance there would be no doubt where the commodities come from. How does that compare with the distribution made by our Government?

Mr. STEVENSON. You mean, for example, in the sale of the commodities to governments?

Mr. HAGEN. Yes.

Mr. STEVENSON. Of course, we do not have any participation or control over that phase of the program. My feeling has been that in our program we have a facility and an ability to determine categories of need which are often bypassed in a program that is operated solely through government.

Therefore, this work is a good supplement to what use the Government might make of supplies it purchases.

Mr. HAGEN. Are there any roadblocks thrown in the way of expanding your activity, or are you up to the maximum that you can handle?

Mr. STEVENSON. No. We are not operating at the maximum we can handle. In other words, we could use more goods if they were available.

Mr. HAGEN. Why can you not get them?

Mr. STEVENSON. I suppose that is a good question.

We present plans of operations and make requests to the ICA and keep in touch with the Department of Agriculture, but within the limitations of the funds and the supplies now available, a restriction has to be made, so that the agencies operate within what Government authorities think they can or ought to release.

Mr. HAGEN. Apparently they have plenty of supplies. It is just a matter of getting them out.

Mr. STEVENSON. I think we would agree with that, sir. We would feel, I am sure, the member agencies who are most active in

this program, that we could use more supplies if they were made available.

Mr. HAGEN. You could use more?

Mr. STEVENSON. Yes, sir.

Mr. HAGEN. With respect to this language you suggest, would that permit your agency, for example, to use some of these foreign currencies in rehabilitation and educational programs?

Mr. STEVENSON. Yes. It would.

Mr. HAGEN. Your suggestion contemplates diverting some of these foreign currencies to the private agencies for the purpose of establishing developmental projects?

Mr. STEVENSON. Could I give you one example, sir, that comes to my mind?

You are all aware of the initiative that was taken in Viet Nam at the time of the difficulties when the country was divided. The Church World Service, National Catholic Welfare Conference, and several other groups have, in the years since 1954, when Viet Nam was divided, sent considerable supplies to the refugees in South Viet Nam.

For example, there is one village, Dalat, which is somewhat north-east of Saigon, where a group of about 300 refugees were settled on some land that the Government made available. As they built a new life for themselves, they have been assisted with clothing, with surplus foods and with other help from, in this case, our agency.

What they would like to do is to have some additional funds to start an agricultural project and get some help in using their land more effectively. They have plans for developing an animal breeding center, and several other small projects that they would like to do to help that community become self-supporting.

Mr. HAGEN. Under your proposal, you would make a request, presuming it were adopted, and get sufficient of these foreign currencies in that country to put into that project under your supervision?

Mr. STEVENSON. That is right; exactly.

The CHAIRMAN. Are there further questions?

If not, we thank you very much for your statement.

Mr. STEVENSON. Thank you, Mr. Chairman.

The CHAIRMAN. Mr. Garnett, will you return now?

Mr. WATTS. I have some questions I would like to ask, Mr. Chairman.

The CHAIRMAN. Mr. Watts.

FURTHER STATEMENT OF GWYNN GARNETT, ADMINISTRATOR, FOREIGN AGRICULTURAL SERVICE, DEPARTMENT OF AGRICULTURE

Mr. WATTS. Mr. Garnett, as a result of Public Law 480, our ownership of foreign currencies, of course, has increased.

Mr. GARNETT. Yes, sir.

Mr. WATTS. As the program has gone along, have those currencies piled up, or have you been able to dispose of them?

Mr. GARNETT. They have tended to pile up. Let me say that the program to date will accumulate \$2 billion worth of local currencies, when the goods are delivered in the foreign country. The United States uses are being absorbed rather expeditiously, as they accumulate.

In the matter of the loan funds for economic development, there has been some delay, but it seems to me that about a quarter of a billion in those funds has been programed.

Mr. WATTS. But there is some accumulation?

Mr. GARNETT. There is some accumulation; yes.

Mr. WATTS. The agricultural attachés around the world have been of tremendous help, I assume, with reference to this program.

Mr. GARNETT. They have; yes, sir.

Mr. WATTS. Do they have in all instances adequate quarters?

Mr. GARNETT. No, sir. They do not have adequate quarters in a good many cases. They are not alone among our American stations abroad. In many countries housing is very difficult, and in many of those, for many United States personnel, quarters are inadequate and our attachés are falling in that group.

Mr. WATTS. I was not only speaking of their personal housing problem, but I mean their places of operation in the various countries.

Mr. GARNETT. There is considerable variation in that, sir. Many of our embassies are inadequate.

Mr. WATTS. What I am getting to is the accumulation of these funds. Could some of them be used to procure adequate working quarters, or maybe adequate living quarters for our agricultural attachés, without an amendment of the law?

Mr. STEVENSON. For example, in Lima, Peru, a new Embassy is being built, and out of the United States uses, those funds are being converted and used to build the Embassy.

Mr. WATTS. Do you run into any resistance in some of these countries in that type of use of their currency?

Mr. GARNETT. No, sir. We have not as yet. So far funds have been used for housing of this kind only within the appropriations that have been made for that purpose.

In other words, these local currencies have not been used to supplement appropriations for foreign housing.

Mr. WATTS. Would it require an amendment to this legislation to provide housing for agricultural attachés?

Mr. GARNETT. I believe that is right, sir.

Mr. WATTS. Does the Department look with favor on such an amendment?

Mr. GARNETT. I would have to answer in this way: That we are concerned about the housing of our agricultural attachés. It is not for me to say. I am not at liberty to speak as to the departmental policy on this matter.

Mr. WATTS. Could you get an answer?

Mr. GARNETT. Yes, sir.

Mr. WATTS. You do not know whether you could or not? You could.

Let me ask you this question: Was it necessary when they used 480 funds to construct military housing to provide in the contract that the title to the property revert to the country in which it was constructed?

Mr. GARNETT. If I may use this as an example, in the United Kingdom, this grew out of a reluctance on the part of the Government of the United Kingdom to accept the 50-50 cargo preference requirements. They would only enter into the agreement if it represented a gift. Then they, in their minds, could justify moving the cargoes,

50 percent in British vessels and 50 percent in United States vessels.

Mr. WATTS. In other words, our bad trade with reference to the housing came about as a result, then, of the necessity of sending these commodities in American bottoms?

Mr. GARNETT. In this case, that was true; yes, sir.

Mr. WATTS. Let me ask you about the loans. The loans that you referred to are repayable in local currency, are they not?

Mr. GARNETT. The act states, sir, that "Strategic materials, services, or foreign currency may be accepted in payment of such loans." That, of course, would not preclude the repayment in dollars.

Mr. WATTS. Over what period of time are those loans usually made?

Mr. GARNETT. From 20 to 40 years.

Mr. WATTS. Are they payable so much yearly?

Mr. GARNETT. After 3 years they begin to be amortized.

Mr. WATTS. And they draw interest?

Mr. GARNETT. Yes.

Mr. WATTS. Are any of them being repaid, or has the 3 years run out?

Mr. GARNETT. We have not had that much time, sir.

Mr. WATTS. Some of them will become due next year, I presume.

Mr. GARNETT. I believe the first repayment will be 2 years from now.

At first there was some little delay in getting the shipments, and then 60 to 90 days delay after that, before the currencies are deposited, and then the International Cooperation Administration enters into a negotiation for a loan agreement as to how the loan will be used and repaid.

Mr. WATTS. Then probably it will be the year after next.

Mr. GARNETT. Yes, sir.

Mr. WATTS. Is there any string tied to the use of that foreign currency when the loan is repaid or can we use it in any way we see fit?

Mr. GARNETT. There is a representative of the International Cooperation Administration who has that responsibility. May I ask him to answer that question?

Mr. WATTS. Yes, sir.

STATEMENT OF E. D. WHITE, ASSOCIATE DIRECTOR, FOOD AND AGRICULTURE, INTERNATIONAL COOPERATION ADMINISTRATION

Mr. WHITE. My name is E. D. White, Associate Director, Food and Agriculture, International Cooperation Administration.

The question on the use of the repaid loans is a matter that is now before the executive branch as to what can be done with those funds, whether the intent of the law was to cover them into the miscellaneous receipts of the Treasury, to be appropriated out, or whether they will be available for relending.

Mr. WATTS. Is that a matter that rests with our country, or does the other country have to agree?

Mr. WHITE. It rests with the United States.

Mr. WATTS. One other question, and then I am finished.

I would assume that you do not have any trouble entering into an agreement for the disposal of our agricultural commodities. Where

you run into trouble is where you try to determine what to do with the proceed funds; is that right?

Mr. GARNETT. No, sir. That is not quite correct.

We do have difficulty in negotiating the agreements. First of all, we require a usual marketing commitment from the country, so that we do not displace what we have customarily or might otherwise sell for dollars.

We require them to buy a certain quantity in dollars.

This causes negotiating problems. Then there are problems regarding the exchange rates, which delay and complicate the negotiations; in addition to that, there is the matter of negotiating the loan agreements themselves.

Mr. WATTS. Where your trouble stems from is what use the currency is going to be put to?

Mr. GARNETT. The uses of the currencies, the usual marketings, the exchange rates.

Mr. WATTS. You do not find much resistance to their taking our commodities, provided they can write the terms the way they want to write them?

Mr. GARNETT. I think that is correct.

Mr. WATTS. Your trouble does come from the terms, rather than their desire to have our commodities.

Mr. GARNETT. Yes.

If I may put it this way, the real incentive to accommodating large additional quantities of our surpluses comes from the terms that are involved.

Mr. WATTS. As time has gone by, with the operation of the act, are you finding it easier or more difficult to negotiate these contracts?

Mr. GARNETT. The patterns have been pretty well established, and I would say that they are easier to negotiate now.

Mr. WATTS. Thank you, Mr. Chairman. That is all. I am sorry I took up so much time.

The CHAIRMAN. Do you have any questions, Mr. Hoeven?

Mr. HOEVEN. I have one question.

In your discussion on foreign currencies, you stated that direct grants of currencies for economic development purposes are made only in special circumstances.

Mr. GARNETT. Yes, sir.

Mr. HOEVEN. What are those special circumstances?

Mr. GARNETT. The tables will show, sir, that they have been made in two cases. If I may ask that this not be included on the record—

The CHAIRMAN. This will be off the record.

(Discussion off the record.)

Mr. HAGEN. I would like to ask a general question.

Is this program regarded by the architects or administrators of this program as an integral part of a sound foreign aid program, or is it regarded as kind of a gratuity to American agriculturalists?

Mr. GARNETT. I am not sure I can give you a good considered answer just scratching it off with my head. There are definite and important foreign aid implications in this program. The large programs are primarily with countries that are economically underdeveloped. I would say that the program is implemented through an interagency committee where the State Department, the ICA, the Budget Bureau, the Treasury Department, the Defense Department,

and others participate. All interests are accommodated and programs are blended in in every possible way with out total foreign aid and foreign relations program.

Mr. HAGEN. Probably the agricultural representatives in the administration would like to see expansion, but the brakes are probably put on by some other agency of the Government that does not think this program adds as much as some other type of activity.

Mr. GARNETT. I would like to say this in all fairness. It has been somewhat more complicated to operate this program with unanimity on the part of all agencies. The program has been improved by having all these agencies work on it, and I would not like to leave the impression that any great amount of farm products have not been able to be moved because of objections from other agencies of government.

Mr. HAGEN. You indicated to Mr. Cooley that the volume of these disposals would probably decline. Is that correct?

Mr. GARNETT. Total exports may decline. I would expect—I have stated it in my testimony and we believe that the additional \$1 billion authorization will permit an export under Public Law 480 of at least as great as it has been the past year.

Mr. HAGEN. I thought you indicated, in response to a question, there would be a tapering off.

Mr. GARNETT. We expect our total exports to drop a little bit next year, but the drop will come more in our normal commercial exports.

Mr. HAGEN. Is there any way we can amend this act to guarantee a step up of these disposals? Apparently the commodities will be there, perhaps in increasing quantities, and perhaps we could step up the program. Is there any change in the law you could recommend that would bring about a stepping up of these disposals?

Mr. GARNETT. No, sir. One of the amendments to the act sets a congressional policy which we have used as a guide, indicating we should move just as fast as we could. We do believe that the most important part of our export market is where there is a dollar recovery, and we would not want to push so hard on this type of an emergency program that it displaced our dollar exports. We believe this will move just about as fast as the opportunities are available.

Mr. HAGEN. One final question. You heard Mr. Stevenson advocate an addition to the law which would permit these eleemosynary agencies to get into a development program with these foreign funds, as I understand. Do you approve of that?

Mr. GARNETT. I had not heard before of this proposition, and I could only give my personal opinion. I think this would tend to complicate our operations.

Mr. HAGEN. It would complicate them, but would it be worth while?

Mr. GARNETT. It would not assist in moving more surplus farm products.

Mr. HAGEN. That is very obvious; but it might help these people to get on their feet, and this is a source of money that does not have to be appropriated by Congress for that purpose.

Mr. GARNETT. Regardless of motivation, we believe that the best way to feed masses of people is through normal markets. The system we are now following under title I moves through normal markets and maintains the market system, and I believe any deviation from that would be unwise.

Mr. HAGEN. This program is not really a part of the point 4 program?

Mr. GARNETT. No, sir. It was not designed as such.

Mr. HAGEN. That would convert it to a degree if it were not for that language?

Mr. GARNETT. That is right.

Mr. HAGEN. That is all.

The CHAIRMAN. Mr. Harvey.

Mr. HARVEY. Do you have the impression that the proviso in the law with respect to shipping costs of these surplus commodities is appreciably hampering the disposal level?

Mr. GARNETT. No, sir, Mr. Congressman. The situation has changed. There is a very tight shipping situation throughout the world, and I should say now that this is not impeding the level of our exports.

Mr. HARVEY. Thank you. That is all.

The CHAIRMAN. If section 304 is repealed, then you could have transactions with Soviet Russia, could you not?

Mr. GARNETT. Yes, sir, but, as Secretary Dulles said when he appeared before this committee a year ago, this authority would be used in a very limited way and would make it permissive to barter with certain Iron Curtain countries.

The CHAIRMAN. If you bartered you would barter for strategic materials?

Mr. GARNETT. Yes.

The CHAIRMAN. You would not contemplate doing anything to strengthen the war potential of Soviet Russia?

Mr. GARNETT. No, sir. This would permit these transactions on a very selective basis.

The CHAIRMAN. One more question. Suppose you sell \$1 million worth of cotton and you receive in exchange for it \$750,000 worth of francs. The person who handles the transaction receives the francs and they are redeemed in dollars, are they not?

Mr. GARNETT. The French importer establishes a letter of credit in France. Then a letter of credit is opened in a United States bank.

The United States exporter pays for the commodities in dollars and the Commodity Credit Corporation then reimburses the American bank in which the letter of credit was opened.

The CHAIRMAN. Take a million dollars worth of commodities. The Government has already paid \$1 million for the commodities to the farmers and you end up by taking \$750,000 in cash to buy \$750,000 worth of francs. Then you put the \$750,000 worth of francs in the foreign country to be used for some purpose, and actually the Commodity Credit Corporation is out of pocket not only the first million but the \$750,000.

Mr. GARNETT. That is not right. May I ask Mr. Ioanes to speak to that.

The CHAIRMAN. That is the way it looks to me.

Mr. IOANES. That arithmetic would add up to \$1,750,000 for \$1 million worth of cotton.

The CHAIRMAN. Yes.

Mr. IOANES. The million dollars of cotton would be the Commodity Credit Corporation cost of the cotton. That would be the cost to the Commodity Credit Corporation. The French Government puts up

\$750,000 in francs against cotton that would cost \$1 million. Immediately there is a loss to the Commodity Credit Corporation of a quarter million dollars.

To the extent that \$750,000 in francs is sold to other agencies of the Government for dollars and if all of it is used for that purpose, then the total loss to the Commodity Credit Corporation is the \$250,000. The loss to the CCC cannot in any event be greater than the cost of the cotton. It can be considerably less.

The CHAIRMAN. Suppose you sell \$1 million of cotton. A New York exporter ships it over there. He has to have \$750,000, let us say.

Mr. IOANES. Yes.

The CHAIRMAN. Our Government has to get \$750,000 to pay the exporter.

Mr. IOANES. We do not pay him dollars and cotton too. We do not pay him both. We pay him in cotton. All cotton comes from the Commodity Credit Corporation, that is, all cotton for export.

The CHAIRMAN. So you get for the francs what they are worth?

Mr. IOANES. Yes.

Mr. GARNETT. May I make a slight correction in the record?

The CHAIRMAN. Yes.

Mr. GARNETT. In answer to one of your questions I left the record so that it would imply that the only way of reducing our surplus would be through this \$1 billion a year that goes out through this special program. This is not correct because our total exports, as I mentioned, are about \$4.5 billion a year. Those include the private transactions and the great majority of the commercial exports are reducing our surplus stocks in addition to the special Government program.

I do not think we should say it looks like it will take 10 or 15 years to get rid of the surpluses. We have the operations domestically of the soil bank, and then in the export market we have not only the Government programs but increasing exports in commercial channels.

The CHAIRMAN. What I meant was, if you rely entirely on our giveaway program it would take 10 or 15 years to get rid of it, but you point out that in addition to the giveaway program you have other transactions?

Mr. GARNETT. Yes.

The CHAIRMAN. You have a stimulated foreign trade?

Mr. GARNETT. We have a stimulated foreign trade and the impact of the soil bank which will reduce domestic production.

The CHAIRMAN. Thank you very much.

Is there anyone here who wants to appear in opposition to the extension of the Public Law 480 program?

(No response.)

The CHAIRMAN. Apparently no one is here to appear in opposition.

How many of the witnesses here would be willing to submit statements for the record who do not desire to present oral statements?

Mr. J. C. Frink, vice president of Tobacco Associates. Mr. Frink, do you have a prepared statement?

Mr. FRINK. Yes, sir.

The CHAIRMAN. Will you give permission to insert it in the record?

Mr. FRINK. Yes, sir.

The CHAIRMAN. Without objection it will be made a part of the record.

(The following statement was submitted by Mr. J. C. Frink, vice president, Tobacco Associates:)

STATEMENT BY MR. J. C. FRINK, VICE PRESIDENT, TOBACCO ASSOCIATES, INC.,
WASHINGTON, D. C.

We wish to recommend that the Agricultural Trade Development and Assistance Act of 1954, as amended, be extended for a period of 1 year and that \$1 billion in additional funds be provided for administering title I of the act. We feel that Public Law 480, as it is commonly known, has made a substantial contribution to the flue-cured tobacco industry during the period in which it has been in effect.

Several of our important overseas customers have been able, during the past 2 years, to increase substantially their stocks of United States flue-cured tobacco under this program. Other countries have been able to substantially increase their use of United States flue-cured tobacco as a direct result of this program. Japan, for example, has utilized this program to accumulate a 3-year supply of United States flue-cured tobacco. Total stocks of United States flue-cured in the United Kingdom are now at the highest year-end level since 1947. United States flue-cured stocks in relation to usings are the highest since World War II but still slightly below prewar levels.

This program has permitted Austria, Finland, Indonesia, and Pakistan to increase consumption and also stock levels of our tobacco. Last year, Korea was the beneficiary under the program of their first shipment of United States tobacco since before World War II. Under this program, Burma has been able to purchase tobacco in the United States for the first time in several years.

The "usual marketing requirements" under the program were an important factor in helping increase "dollar" sales during the past 2 years.

We have been especially pleased with the manner in which the market development phase of the Public Law 480 program has been administered with respect to the promotion of United States tobacco in the participating foreign countries.

Tobacco Associates, the Burley and Dark Leaf Tobacco Export Association, and the Leaf Tobacco Exporters Association are the three trade groups in the United States which are cooperating with the United States Department of Agriculture in carrying out the market development projects for tobacco in the various foreign countries. During 1956, these three trade groups signed agreements to undertake projects in Korea, Japan, Thailand, Italy, Spain, France, Finland, and Austria. Some of these projects have already been completed, others are underway, and still others have not yet begun. Some of the major activities which have been undertaken in the market development work for tobacco are as follows:

1. Promotional activities for expanding the use of United States tobacco: This work is designed to expand the consumption of tobacco products which contain a high percentage of United States leaf and to help promote the sales of new brands of American-type cigarettes. The advertising and sales campaign in the foreign countries utilizes trade journals, newspapers, radio, television, placards, magazines, samples, and trade fairs as a means of accomplishing this type of project.

2. Visits of foreign tobacco officials to the United States: Market development funds under this type of project are being used to assist in financing the travel of 3 or 4 key officials in the Tobacco Monopoly or Tobacco Manufacturers Association of the participating countries. The purpose of these projects is to acquaint foreign officials with our modern and efficient manufacturing and distribution methods. This project is designed to further good relationships between the tobacco trade groups in the United States and foreign countries and should assist some foreign countries in modernizing and better equipping their plants and expanding their output of tobacco products.

3. Market analysis in foreign countries of the factors affecting the demand for United States tobacco: Studies of this type give consideration to all the factors affecting the demand for United States tobacco, such as domestic production, trade, marketing tobacco products, consumption of tobacco products, taxation, government factors, etc. Such studies provide a basis for conducting other types of projects within the scope of market development work.

4. Exhibits at international trade fairs: During 1956, United States tobacco products or tobacco products containing United States leaf were featured at trade fairs in Spain, Japan, and Thailand; participation is currently scheduled for several international fairs, including Japan and Spain, in 1957.

These tobacco exhibits were extremely popular with the millions of visitors attending last year's fairs.

The CHAIRMAN. Mr. John C. Lynn, legislative director, the American Farm Bureau Federation. Mr. Lynn, do you have a statement to submit for the record on behalf of Mr. Charles Schulman, president of the American Farm Bureau Federation?

Mr. LYNN. Yes, sir.

The CHAIRMAN. Would you like permission to insert it in the record?

Mr. LYNN. Yes, sir.

(The following statement was submitted for insertion in the record in behalf of the American Farm Bureau Federation:)

STATEMENT BY JOHN C. LYNN, LEGISLATIVE DIRECTOR OF THE AMERICAN FARM BUREAU FEDERATION

The American Farm Bureau Federation appreciates the opportunity to present to this committee its recommendations regarding Public Law 480, the Agricultural Trade Development and Assistance Act.

In June 1954, we urged the enactment of this legislation to turn a part of our surpluses into a form of working capital which could be used to expand permanently foreign markets for farm products. Authorizations for title I sales for foreign currency have been increased twice until now, over \$2.9 billion worth of farm products have been sold to 30 countries for their currency. We believe that Public Law 480 has been a successful program and our voting delegates have determined that we should support an extension of this law.

The following is a part of the 1957 policies of the American Farm Bureau which were adopted last December:

"the level of United States farm exports may be most effectively maintained and expanded by * * * the following additional measures: Extension for 2 years of Public Law 480, the Agricultural Trade Development and Assistance Act, sponsored by Farm Bureau to permit the exchange of farm products for foreign currencies, with an adequate authorization.

"Public Law 480 was designed as a temporary program to expand the sale of United States agricultural products in surplus supply to countries with dollar shortages. It is not our intention that Public Law 480 or similar programs should become permanent."

We recommend a 2-year extension to make possible effective programing. We further recommend that the authorization be limited to \$1 billion with the understanding that this amount should be obligated during fiscal year 1958. However, we hope that our agricultural surplus situation will be such that the program can be tapered off in fiscal 1959. Congress will, of course, wish to take another look at authorizing funds for Public Law 480 for fiscal 1959.

Farm Bureau sponsored the original legislative proposal that developed Public Law 480. We support it today, but believe that emphasis should be placed on the temporary nature of this program. This law was designed to reduce our surpluses—to this end some progress has been made but it is imperative that American agriculture does not become dependent upon these types of sales. Our export marketing must be done through commercial channels for dollars wherever possible. We recognize that the law is not without criticism. Nevertheless, without this program farmer's prices would undoubtedly have been further depressed. We hope that effective steps can be taken to adjust our agricultural plant to effective market demand, both domestic and foreign.

Agricultural exports in fiscal year 1956 were \$3.5 billion and represented 10 percent increase over the previous year. Approximately 40 percent of these exports were under Government programs, such as Public Law 480. The following represents the percentage under Government programs for various commodities:

Fiscal year 1955-56

Commodity	Exports	Exports under Government programs	Percent-age under some Gov-ernment programs
	<i>Millions</i>	<i>Millions</i>	
Cotton.....	\$382	\$275	72
Bread wheat.....	599	429	72
Coarse grains.....	399	232	58
Fats and oils.....	621	138	22
Tobacco.....	378	52	14
Dairy products.....	283	200	71
Others.....	831	91	11
Total.....	3,493	1,417	41

This indicates some real dangers for American agriculture and makes clear that we must always keep our ultimate objective in mind that is, the increase of dollar sales in the export market. It is, of course, an unhealthy condition when American agriculture must depend on Government programs for a substantial part of sales in foreign markets.

FOREIGN CURRENCY USE

As attachment I indicates, approximately \$2 billion worth of foreign currency has been generated through title I sales. It is, of course, of the utmost importance that this currency be used in a judicious and effective manner. Over \$32 million has been set aside for market development work. We believe that this can be one of the most important phases of the entire Public Law 480 program. To the degree that the market development program is a success, Public Law 480 can be considered a success. One of the primary purposes of our original support for the Agricultural Trade Development Act was the development of sound permanent dollar export markets.

It should also be recognized that over 50 percent of the foreign currency generated under Public Law 480 has been earmarked for economic aid to friendly nations. This contribution of Public Law 480 to our Mutual Security Program should be made well known to all American taxpayers and should be taken into consideration by the administration when requests for foreign aid appropriations are made.

This fact should assist the Congress this year in making necessary reductions in foreign economic aid. The sale of surplus United States farm products for local currencies loaned to a foreign country have played an important part in economic development during the past year.

TITLE II, FAMINE, RELIEF AND OTHER ASSISTANCE

Title II of Public Law 480 gives the President the authority to furnish emergency assistance to friendly peoples for meeting famine and other urgent or extraordinary relief requirements. Originally \$300 million was authorized for this purpose. The amount was later increased to \$500 million. In the 3 years since the enactment of Public Law 480, approximately \$300 million worth of farm surpluses have been used under this authority. This indicates that under the trying international conditions, that have existed during the past 3 years, taking into consideration the famine in Pakistan and other countries, donations averaged approximately \$100 million per year.

As the committee will note, there is presently about \$200 million already authorized and unobligated under title II. We can see no legitimate reason to further increase this authority. It is important that we keep in mind that title II authority is meant to be used only in emergency situations. To quote from the 1957 policies of the American Farm Bureau, we recommend the:

"Avoidance of programs giving away our farm products, except in emergencies. 'Giveaway' programs tend to disrupt commercial markets and prevent the development of sound, long-range programs and permanent marketing facilities."

TRADE WITH COMMUNIST COUNTRIES

It is difficult, if not possible, for any private organization, including the American Farm Bureau Federation to comment with any degree of accuracy regarding the chances for Poland or other countries in the Soviet orbit to come out from under Soviet control.

The State Department has declared Poland a friendly country. Apparently they believe that our surplus agricultural commodities can be used to pull that country away from the U. S. S. R. We do not have all the facts at our disposal (as our President and as members of Congress do) but we urge the Congress to weigh very carefully all facts to make certain that our surplus agricultural commodities are not transshipped or used to replace shipments Poland might be forced to make to the U. S. S. R. Congress must also decide that the strengthening of an admittedly Communist government is in the best interests of our country.

We therefore recommend that in considering this point, we do not act until we are reasonably sure; a few months delay might be justified.

We have consistently supported the barter program; we will continue to support it as long as the transactions tend to increase and enhance the security of the United States. Since section 101 of title I authorizes the President to negotiate agreements for sales for foreign currency only with "friendly nations or organizations of friendly nations," there seems to be no necessity for section 304.

Our policy is simply this:

"We recommend that United States farm products be offered for sale in world markets without regard to destination whenever it will advance the welfare and freedoms of the people of the United States."

The following are the specific recommendations of the American Farm Bureau Federation as to amending Public Law 480, the Agricultural Trade Development and Assistance Act:

(1) Sections 109 and 204 should be amended by striking 1957 and substituting in lieu thereof "1959."

(2) Section 103 (b) of such act should be amended by striking \$3 billion and inserting in lieu thereof "\$4 billion."

(3) Section 304 of such act should be deleted.

We would again point out that since \$200 million of authorization remains unobligated under title II, there is no need to amend section 203.

ATTACHMENT I.—*Planned uses of foreign currency under title I, Public Law 480 agreements signed from beginning of program through Feb. 28, 1957*

	Amount	Percent
	<i>Millions</i>	
Total amount programed (market value including ocean transportation).....	\$1,984.88	100.0
Market development.....	32.15	1.6
Purchase of strategic material.....	7.2	.4
Military procurement.....	241.0	12.1
Purchase of goods for other countries.....	23.5	1.2
Grants for multilateral trade and economic development.....	61.5	3.1
Payment of United States obligations.....	478.38	24.1
Loans for multilateral trade and economic development.....	1,114.9	56.2
International education exchange.....	17.15	.9
Translation and publication.....	1.75	.1
Information and education.....	7.4	.3

Mr. FAKLER. Mr. Chairman, my name is Herman Fakler, National Press Building, Washington, D. C. I represent the Millers' National Federation. I did not ask to appear because I did not know about the hearing, but I would like to file a statement later on behalf of the Millers' National Federation.

The CHAIRMAN. Without objection you may do so.

Mr. Reuben Johnson, representing the National Farmers Union.

Mr. JOHNSON. Mr. Chairman, I have a statement with me I would like to file for the record.

The CHAIRMAN. Without objection, you may do so.

What about Mr. Read Dunn, foreign trade director, National Cotton Council?

Mr. DUNN. We will be glad to file a statement. I take it this is adjournment time?

The CHAIRMAN. Off the record.

(Discussion off the record.)

(The following statement was submitted for the record by Mr. Read P. Dunn, Jr., director of foreign trade, National Cotton Council of America:)

STATEMENT OF READ P. DUNN, JR., DIRECTOR OF FOREIGN TRADE, NATIONAL COTTON COUNCIL OF AMERICA

My name is Read P. Dunn, Jr. I am director of the Foreign Trade Division of the National Cotton Council of America. As you know, the National Cotton Council represents the six primary cotton interest groups—the producers, ginner, warehousemen, cottonseed crushers, merchants, and spinners.

The National Cotton Council has supported Public Law 480 providing for the sale of agricultural surpluses for foreign currencies since its inception.

Some 2.5 million bales of cotton have been authorized for export under the program to date. The benefit of the program in moving surplus cotton is obvious.

The National Cotton Council recommends that Public Law 480 be continued on a temporary basis as an assistance in disposing of the current surpluses and in aiding those foreign countries which have insufficient dollar exchange in financing their cotton requirements.

Now, Mr. Chairman, I would like to take this opportunity to tell the committee about some of the market development operations under Public Law 480 in which we have been engaged.

Soon after Public Law 480 was enacted, the United States Department of Agriculture asked the National Cotton Council to cooperate in carrying out section 104a, the development of new and expanded markets for cotton.

The principle of the USDA's objective, increasing consumption through research and promotion in the rest of the world, was quickly endorsed by the council. We had been working for a number of years along these lines in the domestic market and had been trying to interest foreign cotton groups in employing the same techniques. There were, however, reservations within the council about using Government funds for this purpose. The council finally agreed to a cooperative program with the Government, using Public Law 480 funds, on the condition that such funds be employed as a pump-priming device to demonstrate the feasibility of promotion under foreign conditions and to give time for the development of sound, long-term financing on a private basis.

These objectives are being realized. Some 14 countries are now engaged in programs to expand cotton consumption. Four more countries are developing or considering programs. The possibilities are being effectively demonstrated. And we are beginning to shape practical outlines for permanent, private financing. The creation of an appropriate and effective apparatus for collecting funds from 8 to 12 producing countries to be spent in 12 to 15 consuming countries is a tedious and complex process. Even in this field, our experience with Public Law 480 financing has been of real value.

Within the next few minutes I hope I can give you a brief but clear picture of how Public Law 480 funds are being used and what they are helping accomplish.

The National Cotton Council signed a contract with the Foreign Agricultural Service which provided that the council would explore the possibilities of cotton market development around the world, would help organize market development programs in countries where they were feasible and then to supervise the operation of programs carried out by industry groups in the foreign countries. The council agreed to furnish materials, pay salaries of American personnel involved and most of the other dollar costs. FAS agreed to pay the overseas costs in foreign currencies. In 1956 the council contributed in materials and services about \$80,000 on these activities and the FAS contributed a little over \$50,000.

Recently the growing size of these operations and the special problems involved in overseas operations led the National Cotton Council to organize a separate corporation called Cotton Council International to carry out these activities.

The contracts between FAS and the National Cotton Council have been transferred over to Cotton Council International.

Under a separate agreement, FAS also agreed to pay up to half the foreign currency costs of the overseas programs out of Public Law 480 sales. The cooperating foreign industry groups pay the other half.

Today, industry groups in France, Germany, Italy, Switzerland, Austria, Spain, Belgium, Holland, England, Japan, Mexico, and Colombia are carrying on programs to expand cotton consumption in their domestic markets. Egypt and the Sudan are contributing to some of these programs in Europe. Only France had any significant program when this activity began. The total budget for all these programs this year is about \$3 million. Of this FAS is contributing about one-third from Public Law 480. The other two-thirds is being voluntarily raised by the foreign industry groups. We have formal contracts for cooperative programs with eight major importing countries and hope to have a contract finally processed with a ninth country within a few days. We are cooperating on an informal, but regular basis with the others—without financial contributions.

Generally speaking, we do not contemplate cooperative agreements with those countries which are important producers or exporters.

Now I would like to tell you a little about the programs themselves.

The object is to stimulate a desire in people to be better dressed and to make their homes more comfortable and more attractive—with cotton.

Populations and incomes are rising all over the world and the opportunity for selling more cotton products is increasing daily.

The per capita consumption of the United States is about 27 pounds; the average for the foreign world is only about 5. If the people in the rest of the world would buy only 2 pounds more cotton a year, the equivalent of 1 bedsheet, or one pair of overalls, the demand for cotton would increase by about 10.5 million bales annually. The would create a tremendous opportunity for United States cotton exports if it is competitive.

We are fully conscious of the fact that realization of such an opportunity requires that American cotton must also be competitive in price and quality. But that is a problem in another field which we hope will also be resolved.

To accomplish our promotion objectives, we have relied on the same tools and techniques that have been used in this country to add some 3 million bales to consumption—despite some straight price losses in nonpromotable industrial fields totaling scores of thousands of bales.

Fashion is a key approach to creating a desire in people to be better dressed—in their persons and their homes. Fashion is the locomotive which pulls the big volume, mass market train. In other words, one dress in cotton by a Christian Dior can mean 100,000 similar dresses in cotton on the racks of Macy's 90 days later. (This is also sometimes known as the bell cow or Judas goat approach—but it works.) It was largely fashion promotion in this country which increased retail sales of low-priced cotton dresses by more than \$750 million annually since about 1950.

This involves convincing the fashion leaders, those who design clothes, the fashion press which tells the women of the world about them, and the fashion-conscious women who wear the designs first, that cotton has real fashion appeal. Fortunately, the colors, weaves, finishes, and so on which cotton makes so abundantly possible permit a firmly based fashion approach. The visible evidence of the educational and selling campaign involved all down the line are fashion shows, fashion publicity photos, newspaper and magazine layouts, advertising, radio, motion picture, and television features.

Another major step involves helping the distributors of cotton—particularly the retailers who are the only real contact with the actual buying public—become better salesmen for cotton products in several areas.

A. Retail sales training materials to make better salesmen.

B. Store promotions.

C. Cotton Week.

Naturally by increasing sales volume with these campaigns, the retailer benefits as much as cotton.

Another special technique is the special events which capture public attention and make people more conscious of the beauty and the serviceability of cotton.

The Maid of Cotton is an outstanding example of such events.

Last year the Maid of Cotton was in six foreign countries.

Let me give you an example in another field, improved fabrication and distribution. In this country, mass production and mass fabrication have been

enormous aids to increasing cotton consumption by making high-quality, low-cost articles available to the entire buying populace.

An ad in the Paris Vogue for good quality, well styled ready-to-wear in France appeared last month in several magazines as part of our program. Until now there just hasn't been a high style, ready-to-wear trade in France, such as these ads illustrate. This is the beginning of something which we believe is going to spread like wildfire, not only in France but around the foreign world. These ads will help it spread.

All the promotion is guided by market research.

Many of these countries are just getting started, and we shall see much more evidence of their accomplishments as the programs come into full operation.

These are essentially long-range programs which must be continued several years to be fully effective. We have, however, noted some short-range effects.

The Japanese claim their sales on the domestic market last spring were almost 20 percent larger than in any recent corresponding period. Cotton showed a sharp rise in per capita consumption relative to the other fibers for the first time in many years. They believe these programs are largely responsible.

We know that cotton consumption is up over the same period last year in several other countries: 37 percent in Japan, 14.5 percent in Italy, 12.5 percent in France, 9.5 percent in Spain, 7.5 percent in Germany, 4.5 percent in Belgium, 3 percent in Switzerland, etc. These programs, in themselves, cannot be credited with all of these gains, but they have stimulated greater interest in cotton around the world. They are creating a new spirit for cotton. Everywhere we can see greater interest in research for quality improvement, in improved fabrication and distribution and in promotion. Companies and associations are now embarking on large home market advertising and sales promotion programs for cotton—most of them for the first time in history.

An industry leader in one of the largest foreign countries, commenting on how the programs have brought the industry closer together and concentrated attention on improving cotton's position said, "We used to be known as a 3 o'clock in the afternoon industry—now we are known as a 7 o'clock in the morning industry."

We think these programs have brought the world cotton industry to a realization of the vital importance of promotion which would otherwise have required years—years in which cotton might have suffered losses impossible to survive. Under these Public Law 480 programs, we in the American cotton industry, and our friends abroad, have real hope of establishing within the next few years a practical vehicle to keep cotton competitive in the market places of the world. If we can do that, cotton will owe Public Law 480 and the Congress a permanent vote of appreciation.

The CHAIRMAN. Mr. Joseph O. Parker, representing the National Grange.

Mr. PARKER. Mr. Chairman, the National Grange is in favor of the extension and would like permission to file a statement.

The CHAIRMAN. Without objection, you may do so.

Mr. E. D. White, Chief of Agricultural Specialists Division, ICA. Is Mr. White here?

Mr. WHITE. I have no prepared statement to file.

The CHAIRMAN. Mr. Tyson is with you?

Mr. WHITE. I represent the Agency.

The CHAIRMAN. Congressman Frank Smith.

Mr. HARVEY. Mr. Smith was here a while ago.

The CHAIRMAN. Mrs. Downey, will you communicate with Congressmen Frank Smith and ask if he will make a statement.

STATEMENT OF HON. FRANK E. SMITH, A REPRESENTATIVE IN CONGRESS FROM THE STATE OF MISSISSIPPI

Mr. SMITH. The matter of surplus food distribution continues to be a matter of major importance to this country. The Department of Agriculture, as a matter of policy and in order to maintain farm prices, purchases surplus farm commodities and distributes much

of the surplus commodities to public institutions and agencies for their use, in addition to the food items they regularly purchase. This program has a twofold blessing—aid to the farm economy and a better diet for recipients.

The Secretaries of Agriculture have not previously approved the allotment of such surplus commodities to State and local adult penal and correctional institutions because existing laws do not specifically declare such institutions to be eligible for such benefits.

The State and local penal and correctional institutions can well use such surplus farm commodities without decreasing their regular purchases, thereby providing a greater usage of food without in any way harming farm prices. The extension of the commodity program to the institutions as proposed under the amendment, H. R. 6148, could not be used as a means of cutting down food costs, but of supplementing the prison diets. Since the State and local governments bear this cost, it seems to me that we could provide the assistance without damage to the surplus disposal program.

The CHAIRMAN. Mr. Guilford Jameson, Deputy Director for Congressional Relations, International Cooperation Administration. Is there anyone else?

Mr. WHATLEY. Mr. Chairman, may I have 1 minute?

The CHAIRMAN. Yes.

STATEMENT OF DAVID WHATLEY

Mr. WHATLEY. My name is David Whatley, private citizen, representing no organization. I merely wish to amplify upon the proposal of the American Council of Voluntary Agencies that the program be extended under title II for longer than 1 year. I see no reason why the program under title II should not be made permanent since it dovetails so closely with section 416 operations which are permanent legislation.

I believe it would simplify administration to put them in the same legal category.

I suggest an annual limitation of perhaps \$200 million a year rather than the provisions of the bill which has been reported by the Senate. It is my understanding that the Senate would accept such an amendment if you see fit to adopt it.

The CHAIRMAN. Thank you.

Is anyone present opposed to the repeal of section 304 of the present law?

(No response.)

The CHAIRMAN. Apparently no one is here to appear in opposition.

(Without objection by the chairman the following statements by Mr. Johnson and Mr. Patton will be included in the record and are as follows:)

STATEMENT OF REUBEN JOHNSON, ASSISTANT COORDINATOR OF LEGISLATIVE SERVICES, NATIONAL FARMERS UNION

Mr. JOHNSON. Mr. Chairman and members of the committee, I am Reuben Johnson, assistant coordinator of legislative services, National Farmers Union. It is my privilege today to extend to you greetings from Mr. Patton and to present the recommendations of National Farmers Union concerning the broadening and extension of Public Law 480.

The Agricultural Trade Development and Assistance Act, first conceived by National Farmers Union as the "Foreign Farm Trading Post," is a unilateral approach to the utilization of abundant United States farm commodities. While we have supported wholeheartedly the legislation leading to the passage of the act and the act itself, including amendments to expand and broaden in 1955, we continue to support legislation providing for United States leadership in negotiating an International Food and Raw Materials Reserve. I shall not take time in this hearing to express our reasons for the support of such legislation, but I respectfully request permission to insert in the record at the close of this oral statement, the statement of Mr. Patton before a special Senate subcommittee last year concerning legislation to provide for United States leadership in negotiating an International Food and Raw Materials Reserve. I do want to comment that we feel that an International Food and Raw Materials Reserve would make possible more effective and less cumbersome means of utilizing our abundant food overseas.

We do not want to be misunderstood. We do support the extension of the Agricultural Trade Development and Assistance Act, and offer the following specific amendments to the act.

TITLE I, SECTION 103 (B)

We favor amending this subsection to provide for a 3-year extension of the act, and to increase the authorization from \$3 billion to \$6 billion—that is to say 2 billion a year for the next 3 years. We are frankly quite concerned over the restricted recommendations made by Secretary Benson for the extension and broadening of the act. In this connection, I should like to emphasize language in this subsection:

"This limitation shall not be apportioned by year or by country, but shall be considered as an objective as well as a limitation, to be reached as rapidly as possible so long as the purposes of this act can be achieved within the safeguards established."

Recent activity under Public Law 480 which has come after a rather slow beginning, has resulted, we believe, from such language as this and from the support plainly given by the committee in the liberal authorization which has been established. We do not want the committee or the Congress to take any action at this time which can be interpreted as restricting or limiting in any way the activity of the Department of Agriculture under Public Law 480. We, therefore, urge that you amend title I in the spirit in which this committee and Congress has supported it from the beginning.

Continual accumulation of commodities by CCC is complete justification for the authorization we have suggested. This continued accumulation of such stocks points up the failure of Secretary Benson's policy for support of farm income and the need for vigorous administration of Public Law 480 until workable programs are in effect to help farmers bring production in line with demand.

TITLE II, SECTIONS 203 AND 204

We favor, also, amending these sections to provide for a 3-year extension and to change the authorization from a total of \$500 million to an annual authorization of that amount.

We should like to see greater use of voluntary private overseas relief organizations in the administering of title II. Such organizations as CARE and the many religious organizations should be utilized to the fullest possible extent in administering the famine and relief provisions of title II.

TITLE II, SECTION 201

Section 201 should be clarified to make certain that elimination of chronic poverty in friendly nations is an approved purpose of the donations of abundant United States farm products. As presently worded, this section is still vague on this point.

TITLE I, SECTION 104

We urge that a new subsection be added to section 104 as follows:

"(d) Establishment of universal free systems of general and vocational education in nations not now having such an education system."

Our reasoning here is that over 90 percent of the people in some of these countries are completely illiterate. It is almost impossible to conceive of economic growth and expansion and development of markets where 90 percent of the people cannot read or write.

Lesser developed nations cannot afford to establish schools, nor the parents to allow their children to attend, even if schools were available, because of the backwardness of agricultural production methods. Children are needed at home for the work required for their own sustenance and clothing.

These countries cannot get off economic dead center unless something is done from the outside to cut through the cycle of poverty. This can be done if we as a nation have enough sense to use our abundant food to underwrite, either on a loan or grant basis or both, costs of school construction, of teachers' salaries, and of food and clothing for pupils and teachers.

These are the nations which are attempting to establish democratic government, but which are faced with the threat of Soviet penetration and subversion because of the prevalence of chronic poverty and widespread illiteracy and absence of vocational skills required in a developing economy.

The amendment we suggest would be only a small step toward the kind of assistance that we can and must provide to build up the economies of the developing democratic nations. Admittedly, it will cost money. But it would be money well spent. I should add, Mr. Chairman, that we look upon this amendment as being of interest to all the citizens of the United States. Under the circumstances any costs incurred should be charged up to the entire Nation.

STATEMENT OF JAMES G. PATTON, PRESIDENT OF NATIONAL FARMERS UNION

Mr. Chairman and members of the committee, at the outset, I want to express on behalf of the 700,000 voting members of National Farmers Union appreciation for the support members of the subcommittee are giving to Senate Resolutions 85 and 86. The scheduling of this hearing is evidence of your interest in an international food and raw material reserve or world food bank. I have a very strong feeling also that this hearing will result in greatly increased support for an international organization consistent with the United States Constitution and Bill of Rights through which farm families can gain some stability of price and income and through which living standards of participating nations can be increased.

The resolutions you are considering are sponsored by a total of 23 Members of the Senate from both sides of the aisle. Senator Scott has been joined by Senator Murray in the sponsorship of Senate Resolution 85. Senator Murray has been joined by Senator Scott in the sponsorship of Senate Resolution 86. Both resolutions seek to make it possible for the President and his representatives to enter into international negotiations for the purpose of preparing a plan and a proposed international agreement or agreements on the creation of an international food and raw materials reserve or world food bank. While the resolutions are worded differently, they both provide for the same general objective. For that reason I shall not differentiate between them in my supporting testimony. I shall use the terms "International Food and Raw Materials Reserve" and "World Food Bank" interchangeably in subsequent remarks.

Insofar as the "how" of an International Food and Raw Materials Reserve or World Food Bank is concerned, I shall not belabor the subcommittee. Provisions of both Senate Resolutions 85 and 86 specify that the President and his representatives shall negotiate through the United Nations and other international channels with appropriate foreign nations, the purpose being to make possible a specific plan and agreement or agreements on the creation of an International Food and Raw Materials Reserve or World Food Bank. The plan and agreement shall be presented to the United States Senate for approval. The important consideration, in my thinking, is that the Senate take favorable action on the resolutions so that full and complete studies may be begun on the "how" aspects of a food and raw materials reserve or bank.

NOT A NEW IDEA

The idea of a food and raw material reserve or bank of international scope is not new. Lord John Boyd-Orr, the first Director General of the World Food and Agriculture Organization, proposed a World Food Board just after World War II. The proposed agency, as developed by Boyd-Orr and members of the staff of FAO, would have the power to buy, hold, and sell important agricultural commodities entering world trade, and to set the maximum and minimum prices for these commodities in the international market the same as is now in effect under international commodity agreements such as the wheat and sugar agreements.

As developed by FAO under Lord John Boyd-Orr the proposed Board would preferably, but not necessarily, be under the aegis of FAO, and it would be closely related to the International Bank for Reconstruction and Development.

In referring to the World Food Board, Boyd-Orr said: "This is neither a revolutionary nor a new idea. The proposal merely synthesizes many national and international measures and brings them together in one organization. * * * We are living in a world which is being driven so fast by the advance of science that bold measures are required if we are to resolve the tremendous social and economic problems that face all countries. * * * There are only two alternatives for nations today: Either cooperation for mutual benefit in a world policy, or a drift back to nationalistic policies leading to economic conflict which may well be the prelude to a third world war that will end our civilization. * * * If the nations cannot agree on a food program affecting the welfare of the people everywhere there is little hope of their reaching an agreement on anything else."

As a student of biology, a farmer, and a doctor of medicine, Lord John Boyd-Orr considered food as something much more than a trade commodity alone. As a farmer, however, and like all farmers, he appreciated trade aspects shrewdly enough. But over and above this, he saw food, as all farmers do, as the primary necessity of life itself. Being a medical man seems to have something to do with his thinking that civilization has a profound moral obligation to provide food for those who are hungry and in need, just as it has a duty to provide medical care for those who are sick and in need.

Mr. Chairman, I have presented this brief statement about the first Director General of FAO because I think it epitomizes the thinking of the great majority of farm families in the United States, even those who may not be informed on Lord John Boyd-Orr's views concerning a World Food Board.

The idea of a world food board or bank or reserve was received again under the name International Commodity Clearing House while Norris E. Dodd was Director General of the Food and Agriculture Organization. Just as supporting nations at the FAO conference in 1946 failed to obtain approval of the World Food Board idea, the International Commodity Clearing House proposal was rejected.

In spite of the setbacks to the idea of a World Food Bank Reserve, there is still strong support among member nations of the Food and Agricultural Organizations. If the United States should assume the lead as a result of favorable action on resolutions before the committee I am firmly convinced that a new wave of support would develop among the free and democratic nations who are not committed to communism and who could benefit greatly in increased living standards, and economic development generally.

IFAP

The international organization of farm organizations, known as the International Federation of Agricultural Producers, is made up of independent farm and agricultural cooperative organizations of 25 countries. National Farmers Union is a member along with the Farm Bureau, Grange, and Council of Farmer Cooperatives. I was honored recently by being elected vice president. I also serve as a member of the organization's executive committee.

Since the very first proposal of Lord John Boyd-Orr, IFAP has embraced the world food bank and reserve proposals. In fact, IFAP has supported such a proposal since 1945.

A report of the 1949 general meeting of IFAP in Guelph, Canada, contains the following:

"* * * To solve the problem of moving surpluses as they arise into consumption in countries of great need the IFAP urges * * * the establishment by governments of an international agency through which countries may dispose of their agricultural surpluses."

A proposal which evolved out of the Guelph Conference was acted upon by representatives to the fifth FAO Conference. As I have stated, the proposal known as the International Commodity Clearing House was rejected. This was due mainly to the hesitancy of the United States and Great Britain to give support.

The following year, 1950, at the IFAP general meeting in Saltsjöbaden, Sweden, exception was taken by IFAP nations to the failure of the representatives of governments at the fifth FAO Conference to approve the International Commodity Clearing House. I quote from the IFAP report as follows:

"The policy committee (IFAP) examined and found unconvincing the reasons given by the representatives of governments at the fifth FAO Conference * * * for their rejection of the proposed International Commodity Clearing House * * *"

In this connection the policy committee (IFAP) reviewed * * * the declarations made by the president of IFAP * * * the conclusion of which was that IFAP would continue to muster public opinion in support of, and press vigorously for, the adoption of a program substantially in line with the proposals (proposals for international food reserve) of the Guelph Conference."

One year later, 1951, IFAP met in Mexico City, Mexico. An excerpt from the report adopted at that time is as follows:

"IFAP * * * reaffirm(s) its endorsement * * * of the proposed establishment of an international commodity clearing house. * * * If governments can launch through the United Nations and Specialized Agencies a farflung technical assistance program * * * why could they not launch a similarly financed international program to distribute surpluses along the lines recommended by IFAP's Guelph Conference."

Subsequent reports of IFAP annual meetings have kept alive within IFAP study and consideration of world food reserve or bank. I urge that the Congress take action to make possible negotiations for the purpose of arriving at a specific plan. Perhaps one of the more important objections is that past proposals have not been noted for a sharply defined plan of operation. This objection can be overcome, I am convinced, if the resolutions before you are favorably acted upon by Congress. If Congress gives support through adopting as its policy permission for the United States to participate with the nations through the United Nations in establishing an international food and raw materials reserve, I firmly believe a workable plan will evolve. To deny that this is possible is to admit failure in solving crucial international problems which must be faced—and the sooner the better.

SCARCITY AND CHAOS OR ABUNDANCE AND PEACE

In exercise of its economic world leadership, the United States can take either of two routes: The road to scarcity or the road to abundance.

Faced with the problems of tariffs, low productivity, dollar shortages, embargoes, and other problems restricting sale of United States farm products in other countries, the United States can take the road of abundance or the road of scarcity.

There are two kinds of scarcity roads:

1. Economic isolation or go it alone, and
2. Exclusive reliance upon cartel-dominated "free trade."

"GO IT ALONE" ROAD TO SCARCITY AND CHAOS

The United States can go it alone. American markets for American goods. Hold out competing imports; give up foreign markets for United States production.

The United States farmer would have to shift 50 million acres now producing wheat, cotton, tobacco, rice, corn, soybeans, apples, and other commodities into production of something else that could be sold in the United States.

A large segment of United States industrial production would have to shut down, lay off workers, reduce consumer demand in the United States for farm commodities for lack of raw materials and lack of foreign markets.

United States farmers' cost of production and consumers' cost of living would rise because of our not being able to buy imported goods.

In the entire free world, including the United States, production and living standards would be reduced. "Stomach communism" in many areas of the world would be promoted. A "Fortress America" would be inevitable.

If we want this, if we want to "go it alone," it can be done with preclusive protective embargoes and tariffs against imports; expansion of "Buy American" policies; refusal to support the United Nations and its specialized agencies; and stopping United States economic aid to nations of the free world.

THE CARTEL-DOMINATED ROAD TO SCARCITY AND CHAOS

The other road to scarcity is to rely exclusively upon cartel-dominated, so-called free international trade.

We can do this by repealing our tariffs, abolishing our embargoes against competing imports, such as sugar, wool, feed grains, barley, and dairy products; stopping United States economic aid to other countries; abolishing the United States Export-Import Bank, the International Wheat Agreement, pulling out of World Bank and International Monetary Fund, refusing to implement reciprocal trade agreement and repealing section 22, and the escape clause.

International trade would then be dominated by international private cartels—huge international trade monopolies. Only the farmers and other raw material producers of the world would fully “enjoy” the “fruits of competition.”

Foreign countries could not be expected to greatly reduce their government restrictions on trade and currency exchanges. United States farmers and other primary producers would be set free in an administered-price market dominated by foreign government regulation and international private cartels. Selling prices received by United States producers would be uncertain and artificially low. Buying prices paid by United States consumers would be uncertain and artificially high.

The world price of farm commodities and other raw materials such as tin, rubber, and iron ore, would fluctuate greatly from month to month and year to year. This would discourage productive investments and retard free world economic expansion.

Neither of these scarcity roads is the right road.

COMMONSENSE ROAD TO PEACE AND ABUNDANCE

The road to peace and abundance is through negotiated international regulation of expanded international exchange of materials—greater international economic cooperation and coordination, preferably through international agreements and agencies comprised of many nations.

To move in the direction of peace and abundance we need to open the door to the negotiation and establishment of an international food and raw materials reserve, and an international development agency such as SUNFED. In addition, we need to continue and to improve operation of the reciprocal trade agreement, with ratification of an international trade agency truly consistent with the purposes of the agreement. We need additional international commodity agreements. Such an agreement is needed for each and every raw material that enters importantly into international trade.

The kind of international cooperation I am talking about would be consistent with the kind of freedom and security we enjoy under the United States Constitution and Bill of Rights. And I see expanded international cooperation as a means of expanding the kind of democratic liberties and rights, and the kind of national self-determination enshrined in the Declaration of Independence and the United States Constitution and Bill of Rights.

With international cooperation of the kinds I have mentioned (the food and raw material reserve is an excellent example) we will move rapidly toward:

Encouragement of investments.

Stabilization of markets.

Promotion of increased production in participating nations.

Reduction and ultimate elimination of famine, chronic undernutrition, and chronically low living standards.

Establishment of a system of public schools in participating nations.

There are still many nations where primary producers who make up a greater percent of the population are still subject to wild fluctuations of markets and monetary exchanges.

With the shrinking of the world through improvements in communication and transportation, it is our considered and mature judgment that such wild “ups” and “downs” must be ended. Greater stability of prices and incomes in the lesser developed areas will be of benefit both to United States citizens and to the citizens of the other free and democratic “have” nations.

More effective means of distributing our abundant food and that of other nations through an international reserve would greatly strengthen the United States position among peoples in Asia, the Middle East, Africa, and even Latin America. These people are trying to climb out of hopeless poverty and dependence to the kind of security and freedom we enjoy under our Constitution and Bill of Rights.

The kind of commonsense foreign policy which would result in the United States taking the lead in the negotiation of a plan or agreement for a world food reserve is the only policy that is consistent with an expanding full employment domestic economy where the needs and aspirations of United States family farmers can be met. Such a commonsense foreign policy is more in line also with national security aims.

SLIDING SCALE FARM PROGRAM A HANDICAP

The sliding scale farm price and income policy now being operated by the Administration is both a detriment and handicap to an intelligent and effective foreign economic policy. Exclusive reliance for farm income protection on market

price propping serves as an artificial suction to draw in unneeded imports. This, of course, invites counteraction by the imposition of tariffs and import quotas. The exclusive use of market price propping of sliding scale farm price supports may also build up in Government ownership a stock of commodities beyond the need for an adequate national safety reserve. When this happens and such stocks are put into a special set-aside as has been done, for special foreign distribution of the dumping variety, these stocks become a burden on and a threat to trade and economic development all over the free world. This is the situation which causes the frequent controversy between the Department of Agriculture and the State Department. We have seen an example of this situation recently as the United States sought ways to expand exports of cotton which while needed and of great value to some countries trying to upgrade living standards, were a threat to the international cotton market. The function of an international reserve would be to move cotton into consumption while preventing economic destruction of producers and other handlers.

Our domestic farm income-protection program can and should be made fully consistent with the commonsense peace and abundance kind of foreign economic policy. Favorable consideration of the resolutions before you is a logical step in solving problems of primary producers both in the United States and the other nations where our kind of democratic liberty is being sought.

FAIR TRADE FOR FARMERS

Farmers today must buy a very large part of the machinery and supplies used for farm operations. They sell a very large part of what they produce. The terms they trade on make a big difference in the standard of living the family is able to earn.

The prices of things that farmers buy, both production and family living items, are retail prices like the prices all consumers pay. These retail prices, and the wholesale prices behind them, are administered prices—prices set by manufacturers, money-market bankers, railroad companies, and others, on the basis of their ability to withhold supply to maintain the set price. Experience has shown that these prices paid by farmers and consumers rise fast enough in periods of inflation. However, experience has also shown that the prices paid by farmers for things and services they must buy from nonfarmers do not drop very much even in periods of economic stagnation. This is because manufacturers, and the others protected by tariffs and corporation laws and Government commissions, can hold down production and maintain price partly because of the small number of firms in each industry. They can do so profitably because overhead fixed costs are a small proportion of total costs, thus enabling them to make large cuts in costs as a result of reduced production.

On the other hand, farmers in the United States and in other nations sell in competition with each other. None of them controls a significantly large enough share of the total market to raise prices received by withholding supplies from the market. Nor have they been able successfully to band together voluntarily to do so. Moreover, unlike the industrialist, a farmers' fixed costs are a very high proportion of total costs. He cannot reduce costs much by curtailing production. Operating alone the only out for the individual farmer is to produce more as long as he can to raise gross income by increasing volume of sales. In competing with each other to do so in the past year by obtaining more land, farmers have bid up land values in the face of falling income. The increased supply resulting from 3 million farmers each doing this causes a very large drop in prices received by farmers. The nature of demand for food and clothing is such that a small percentage increase in supply or decrease in demand will cause a six-times greater percentage drop in prices received by farmers.

The net result of farmers' adverse terms of trade is chronic farm economic depression when farmers are not protected from the forces of the so-called free market. The indication of recent history is that even in a relatively full employment economy farm family incomes will drop continuously about 5 percent per year in the absence of fully adequate specific governmental farm income protection programs. This drop will continue until such time as farm families exhaust a substantial portion of their assets and net worth, until they are living in utter poverty and have worn out their capital equipment and exhausted their soil and water resources.

Fair trade for farmers both in the United States and in other nations can be a reality. An international food reserve is a means of bringing a measure of stability to the prices and incomes of primary producers.

SOUND ECONOMIES IN LESSER DEVELOPED NATIONS

The United States is appropriating funds to be used on technical assistance and economic aid programs in the lesser developed nations. National Farmers Union fully supports the moves we have made in this direction. In this connection however, I call your attention to the fact that a prosperous and sound economy is not something that once attained is status quo. We have learned this lesson in the United States. We know that an expanding economy is made possible by many actions and that these actions must be continuing or else a sound thriving economy can change into a full scale depression.

In the lesser developed areas our economic and technical assistance may come to naught unless some measure of stability can be brought to bear on primary industries which are the basis of the Nation's economies.

Probably the most persistent, most disturbing, and most perplexing of modern economic problems is the human suffering and relative stagnation enforced upon primary producers by the extreme ups and downs in the prices of raw materials and consequently in their realized and expected incomes. The problem is serious in all the more highly developed nations. It is even more seriously present and damaging in the lesser developed nations.

Wide swings in raw material prices present prospective investors in raw material development, whether persons, firms, or States, with a very large range of variation in expectations as to returns that be earned by opening up and developing an augmented raw material supply. This condition is one of great risks where at any moment not only might part of the investment be rendered valueless, but earnable returns may even fail to cover day-to-day operating costs, and the entire enterprise will have to be shut down with attendant loss of income and human suffering.

Faced with such great uncertainty in expectations both states and individuals are hesitant to open up or expand enterprises that are currently profitable but which may at any time dip drastically below the break-even line through no fault of the enterprise management itself. The multiplication of this kind of situation throughout farming and all other raw materials industries puts a very severe damper upon the rate of economic development in these industries.

This slowing down of the rate of expansion in raw material industries not only reduces the supply of such materials to meet human needs and to fuel manufacturing and other secondary industries; it also holds down the purchasing power of persons and firms on the raw materials sector and thus cuts down on sales, scale of operation, and consequently of income and purchasing power of the industrial and service segments of the economy. Consequently, the entire economy idles along at a lower rate of production and expansion than should or needs to be the case. In the more highly industrialized nations the symptoms are seen in chronically depressed industries like farming and coal mining in the United States. Among the lesser industrialized nations, a drop in raw material prices can bring an entire nation dangerously close to bankruptcy and can directly cause a widespread drop in personal income and standards of living of the entire population.

Such protective or evasive action when taken unilaterally by different nations helps to solve the problems caused by fluctuating raw material prices only at the cost of reducing the magnitude of international exchange of commodities and thus results in the loss by each and all nations of the advantages of specialization. Everybody in all nations has less real income and a lower standard of living than they might otherwise be able to attain.

Through the administrative machinery of an international food and raw materials reserve or world food bank, the stabilized price of each different raw material that enters importantly into international trade would be negotiated and agreed upon. The reserve would thereafter stand ready at all times to buy any raw material commodity offered it at an agreed upon stabilized price and would stand ready to sell such commodities at or above the agreed upon stabilized price.

The industry of advanced nations is chewing up basic resources at a tremendous and rising rate. For example, the United States which has 7 percent of the world's population and 30 percent of the world's natural resources accounts for 70 percent of the world's manufactured goods. The United States is using up its resources base at a very rapid rate and very much faster than the rest of the world. To be secure in our rising living standards and to retain the resource base for an expanding economy, we must assure ourselves a stabilized source of supply of the raw materials for our manufacturing industry. The same situation is true in other industrial nations such as the United Kingdom, France, Germany, and Japan. The thought-provoking details for different commodities were thoroughly considered in the Paley report of several years ago.

Highly industrialized nations could depend entirely upon private industrial concerns to make long-term contracts with raw material producers in other lands. And, this should be done. But, it can only be successfully and securely accomplished under the protection and encouragement by governments and international economic accords.

These latter conceivably could be done exclusively through bilateral arrangements between the United States and foreign nations; one nation at a time, one commodity at a time. However, no supplier, private enterprise, or state, wants to become dependent exclusively on one buyer; nor does any importing nation or industrialist want to become dependent upon only one seller.

Through an international food and raw materials reserve, exporting nations can obtain assured long-term stabilized markets and importing nations can obtain an assured long-term ample supply at stabilized prices of imports on terms that will not injure domestic producers who must sell their commodities in competition with imports.

The International Food and Raw Materials Reserve or World Food Bank would operate in coordination with the International Monetary Fund and the World Bank. Many of the national restrictions we now have that hold down greater international exchange of commodities is the desire of nations to preserve their monetary position in different currencies, particularly dollars and pounds sterling. The International Food and Raw Materials Reserve would completely eliminate this problem by operating in terms of all currencies on the basis of internationally agreed upon official exchange rates.

As you consider the resolutions before you, keep in mind that they do not establish an international agency but merely call upon the President to undertake negotiations with other nations toward that end. Agreement or agreements reached would, of course, be subject to review and ratification by the Senate of the United States. Appropriations for our share in operation of an international food and raw material reserve would be possible only through favorable action of both the Senate and House.

The imperfections in the resolutions before you have been picked out and dealt with by Administration witnesses. As imperfect as the resolutions may be, and we all can appreciate the problems involved in developing a food reserve agreement satisfactory to many nations, the concepts involved have their roots in the still unsolved problems of extreme human need; starvation, economic stagnation, and poverty throughout the world in the midst of surpluses of raw materials that cannot be sold at prices that will return an adequate stable income to producers. I hope you will keep uppermost in your consideration these concepts.

I appreciate the opportunity of appearing before the subcommittee. And I am especially appreciative of the interest and support evidenced by the scheduling of this hearing. I urge you to give favorable consideration to Senate Resolutions 85 and 86. There certainly can be no ill effects from opening the door to negotiation of an agreement for a world food and raw material bank or reserve.

The CHAIRMAN. At this point there will be inserted in the record the letter from the Department of Agriculture to the Speaker, dated February 14, 1957.

(The letter is as follows:)

DEPARTMENT OF AGRICULTURE,
Washington, D. C., February 14, 1957.

The SPEAKER,
House of Representatives.

DEAR MR. SPEAKER: Enclosed is a draft of a proposed bill to extend the authorities under titles I and II of the Agricultural Trade Development and Assistance Act of 1954, as amended (Public Law 480, 83d Cong.) and to repeal section 304 of that act.

It is proposed that section 103 (b) be amended to increase the title I authority from \$3 billion to \$4 billion; it is proposed that section 109 be amended to extend the terminal date through which title I transactions can be undertaken from June 30, 1957, to June 30, 1958.

Title I of Public Law 480 authorizes the President to enter into agreements with friendly nations or organizations of friendly nations to provide for the sale of surplus agricultural commodities for foreign currencies. At the present time more than \$2.8 billion of the \$3 billion authority has been committed through formal agreements. Negotiations now in progress and current program planning

indicate that the entire \$3 billion will be committed under agreements well before June 30, 1957. It is likely that this will occur as early as February 1957.

Public Law 480 is considered a temporary means of disposal of agricultural surpluses. It has proved to be an effective tool in moving surpluses abroad while other programs are restoring a more balanced situation with respect to farm output and demand. However, sales for foreign currencies and barters are inconsistent with the administration's foreign trade policy and the administration's desire to further the removal of Government from business. No action should be taken to incorporate disposal methods of this kind as permanent features of United States foreign trade programs.

The request for an additional \$1 billion and the extension of the terminal date under title I is presented at this time in order to permit orderly programing of agricultural commodities for the fiscal year 1958. The additional amount would provide for new programing at approximately the same annual rate that has been accomplished since the program was initiated in 1954.

In order to permit continuation for another year of the useful activities which have been possible under title II of Public Law 480, it is proposed that section 203 be amended to increase that authority from \$500 million to \$800 million and that section 204 be amended to extend the terminal date for undertaking programs from June 30, 1957, to June 30, 1958. Inasmuch as approximately \$300 million of title II funds has already been committed, this proposal would in effect restore title II to the present amount authorized of \$500 million.

Section 304 of the act requires the President to exercise his authority under Public Law 480 so as to assist friendly nations to be independent of trade with the U. S. S. R. or nations dominated or controlled by the U. S. S. R. and so as not to increase the availability of commodities to unfriendly nations.

It is recommended that section 304 be repealed. This would place us in a position to make offers of barter transactions on a selective basis to the European satellites of the Soviet Union. It would appear that this authority would be of particular advantage in view of recent developments in Eastern Europe. Agreements for sales of commodities for foreign currencies under title I of the act would continue to be limited to friendly countries by provisions of that title.

The Bureau of the Budget advises that there is no objection to the submission of the proposed legislation to the Congress and that enactment of such legislation would be in accord with the program of the President.

A similar letter is being sent to the President of the Senate.

Sincerely yours,

E. T. BENSON, *Secretary.*

The CHAIRMAN. There will also be inserted in the record the report from the Department of Agriculture under date of February 18, 1957. (The report is as follows:)

FEBRUARY 18, 1957.

HON. HAROLD D. COOLEY,
*Chairman, Committee on Agriculture,
House of Representatives.*

DEAR CONGRESSMAN COOLEY: This is in response to your request of January 30, 1957, for a report on H. R. 1905, to amend the Agricultural Trade Development and Assistance Act of 1954, as amended, so as to increase the amount authorized to be appropriated for purposes of title I of the act; to extend the act for 2 years; and to authorize barter transactions with satellite countries.

This bill would increase the maximum amount authorized to be appropriated to reimburse the Commodity Credit Corporation for commodities disposed of and costs incurred, under title I of the act, from \$3 billion to \$4 billion. The bill would also extend the terminal date, through which title I and title II transactions can be undertaken, from June 30, 1957, to June 30, 1959. The bill would amend section 304 of the act by limiting the authority now contained in section 304 to title I transactions and by adding a specific prohibition against title I and title III transactions with the U. S. S. R., Communist China, or North Korea.

The Department has submitted a legislative proposal to the Congress in line with the President's budget message. We have requested an additional \$1 billion in the title I authority and an extension of the terminal date to June 30, 1958. This would permit orderly programing of agricultural commodities for the fiscal year 1958. The additional amount would provide for new programing at approximately the same annual rate that has been accomplished since the program was initiated in 1954.

In order to permit continuation for another year of the useful activities which have been possible under title II of Public Law 480, we have proposed that section 203 be amended to increase that authority from \$500 million to \$800 million and that section 204 be amended to extend the terminal date for undertaking programs from June 30, 1957, to June 30, 1958. Inasmuch as approximately \$300 million of title II funds has already been committed, the proposal would in effect restore title II to the present amount authorized of \$500 million.

H. R. 1905 would increase the title I authorization by \$1 billion. We agree that the title I authorization should be increased in this amount. However, H. R. 1905 does not provide for an increase of \$300 million in the title II authorization, and we recommend that the bill be amended to authorize such an increase. The proposal would extend the time for programing under title I and title II for 2 years. We believe that the extension of these titles should be limited to 1 year. Limiting the extension of these programs to 1 year would permit consideration of alternative methods whereby surpluses can be disposed of and normal export markets developed.

We recommend that section 304 be repealed rather than amended as proposed by H. R. 1905. This would place us in a position to make offers of barter transactions on a selective basis to the European satellites of the Soviet Union. It would appear that this authority would be of particular advantage in view of recent developments in Eastern Europe. Agreements for sales of commodities for foreign currencies under title I of the act would continue to be limited to friendly countries by provisions of that title.

We favor enactment of the proposed legislation with the amendments indicated above.

The Bureau of the Budget advises that there is no objection to the submission of this report.

Sincerely yours,

TRUE D. MORSE, *Acting Secretary.*

(The following statements and data were submitted to the committee:)

STATEMENT OF THE NATIONAL COUNCIL OF FARMER COOPERATIVES

The National Council of Farmer Cooperatives supports legislation to extend the Agricultural Trade Development and Assistance Act of 1954, as amended, for 1 year, and to increase the total authorization for acceptance of foreign currencies to \$4 billion.

We also support additional authority to dispose of agricultural products to unfriendly countries for dollars or strategic materials.

The act should be amended to provide statutory authority to dispose of accumulated foreign currencies through sales or loans to private concerns, both domestic and foreign, for use for industrial and trade activities in the country where the currency originated.

We also favor an appropriate increase in the amount authorized in section 203 of the act to be used by the President for relief measures abroad.

Trade activities under this act have exerted a marked and multiple leverage on the progress of our foreign economic policy. The act has—

1. Promoted economic development in underdeveloped countries to increase payrolls, and purchasing power, diversification, and economic balance.
2. Converted abundant agricultural resources into an American asset in international economic and political relations.
3. Conserved dollar exchange both here and abroad for industrial purchases and other uses.
4. Accustomed the people of contracting countries to a higher standard of living and, if this is continued, will develop a permanent effective demand for more food and fiber products, hence contribute to market development.
5. Promoted convertibility of foreign currencies on a constructive basis.
6. Contributed to stockpiles of strategic materials.
7. Contributed materially to relief activities of private organizations, which devote voluntary efforts to decentralized distribution of foodstuffs.
8. Spurred private exports of farm products.
9. Levelled off and reduced the accumulation of public and private surplus farm products in this country.

Objections to this program have come from a few countries which export a very large proportion of their agricultural production, in some cases 90 percent of the

total production and whose agricultural products are a dominant part of their total exports. In contrast, 90 percent of our agricultural production is consumed at home and agricultural exports constitute about 25 percent of our total exports. The answer to their problem is more balanced economic development and industrial diversification at home, to increase the domestic demand and consumption of their own agricultural production, with a decreased reliance on the almost exclusive export of raw agricultural products. As a matter of fact, several countries, formerly heavy exporters of competitive agricultural products, have become importers of American farm products, since embarking on economic diversification under our economic aid program.

The overall approach to the worldwide agricultural problem is to even out production and distribution which are too thin in some areas and too thick in other areas, through more diversified economic development and the trade resulting therefrom.

We believe the multiple values of operation under this act can be measurably increased by provision for disposal of accumulated currencies, through sale and loan, to industrial and trading concerns, operating in the area of the currency origin.

Also we believe provisions for sales to unfriendly countries for dollars and strategic material, will absorb dollar exchange which might otherwise be used to purchase war supporting equipment and plants; or yield us strategic materials in barter.

WHY POLAND SHOULD BE HELPED, A STATEMENT BY THE POLISH AMERICAN CONGRESS

Since the October upheaval in Warsaw, when, in the wave of unrest and discontent of the population, Polish Communists recognized the urgency of needed economic and political reforms, American sympathy for Poland has been growing rapidly. From humanitarian and, to some extent, diplomatic views, at least 90 percent of American press and radio and television commentators favor technical and economic help for Poland.

However, in this gratifying wave of sympathy for the Polish people, a sense of apprehension could be detected. One question is being frequently asked: Whether, while helping Poland we would at the same time strengthen the Soviet Union and communism?

The answer to this question is an emphatic no for the following reasons:

1. The Polish people are painfully aware of the fact, that Communist concepts of economy and industrial planning have brought them to the brink of disaster. The Communists themselves accepted this truth by retreating from such spheres of economic activities as the collectivization of farms which has been brought to a standstill, and complete socialization of small private enterprises which has been abandoned.

These two examples prove beyond doubt that the Polish people have forced Communists to a considerable retreat from stubborn entrenchment in Marxist-Leninist theories and practices. And this is only the beginning. Given more time, and moral as well as material support, the Poles will eventually go farther on the road to complete independence.

2. Polish national interests, historic involvement as well as cultural and spiritual ties with Western civilization clash with Communist designs for world domination. Polish implacable hostility toward communism in general and toward Russian colonialism in particular is a proven fact of history.

There is no danger—that by helping Poland economically we would be strengthening communism and the Soviet Union. On the contrary, stronger and more independent Poland would mean a gradual retreat of communism in Central and East Europe and would effectively oppose Russian designs for conquest.

Another argument is being set forth even by people whose sympathy toward Poland is sincere, that there is a great risk involved in helping the Polish people now. They say that American aid for Poland would provoke Russian wrath against the Poles. They add that the Polish people have already aroused Russian antagonism to a breaking point.

Let us bear in mind, therefore, that the Poles are well aware of the risk. They are willing to take it. The very fact that they asked us for help instead of begging

the Kremlin for handouts, proves beyond doubt that Poland wants to return to the Western family of nations where her national birth placed her a thousand years ago.

The Poles have already taken a risk by turning to the West. It should be evaluated as a calculated risk. They are risking far more in turning to us than we are risking in granting them help.

The stakes are high and worth the chance both for Poland and for the United States.

In the long view of history, the Communist system of government forced on Poland by the might of the Russian Army is only transitory.

Poland as a nation successfully opposed Russification in the past and, with her boundless devotion to freedom and democracy, will emerge victorious from Communist oppression.

But she needs our help and fully deserves to be helped in her hour of dire need.

Finally, some aspects of Poland's foreign policy are being used in arguments against a large-scale help.

We should remember that Poland's current foreign policy is not of her own choice. It has been linked to Russia with full consent and support of the Western powers at Yalta. Poland is not yet able to follow an independent course in foreign affairs. This can develop only in accordance with the amount of material and moral help that Poland could get from the West.

MILLERS' NATIONAL FEDERATION,
Washington, D. C., April 5, 1957.

HON. HAROLD D. COOLEY,
*Chairman, Committee on Agriculture,
House of Representatives, Washington, D. C.*

DEAR MR. CHAIRMAN: In behalf of the Millers' National Federation, the national trade association of the wheat flour milling industry, I wish to support the enactment of H. R. 5534, a bill to extend the Agricultural Trade Development and Assistance Act of 1954.

We favor the extension of title I of the act for 1 year and an increase in authorization from \$3 billion to \$4 billion. We have no specific views with respect to amendments (3) and (4) proposed in H. R. 5534.

We believe Public Law 480 and the manner in which it has been administered by the Department of Agriculture has been helpful in the exportation of wheat and wheat flour from the United States.

The milling industry is particularly interested in the long range aspects of Public Law 480. At the present time, Millers' National Federation is conducting a market promotion program for wheat flour and wheat products in Colombia under a market promotion agreement with the Foreign Agricultural Service. The Federation also is conducting market promotion survey projects in the Pacific area under an agreement with the Foreign Agricultural Service entered into jointly by the Federation and the Oregon Wheat Growers' League.

In our opinion, the extension of Public Law 480 will permit the development of similar market promotion projects in other countries and we are confident these will result in increased interest in and increased importations of United States wheat flour and other wheat products.

In 1956, the United States remained in first place among world exporters of flour after regaining its former traditional leadership in 1955. This is due to increased promotion activities on the part of United States export flour millers, increased activities on the part of the export department of the Millers' National Federation in cooperation with the United States Department of Agriculture and other interested Government agencies, and an increased world demand for flour.

The milling industry is optimistic that world demand for United States flour can be still further stimulated by activities under Public Law 480 and the industry therefore, favors the expanded extension of the act for a period of a year as proposed in H. R. 5534.

I am submitting this brief expression of our views for inclusion in the record of the hearing in accordance with permission granted me on March 26.

Yours very truly,

HERMAN FAKLER, *Vice President.*

PORTAGEVILLE, Mo., March 28, 1957.

Hon. HAROLD D. COOLEY,
*Chairman, House Committee on Agriculture,
Washington, D. C.:*

This organization urges extension of Public Law 480 for at least 2 years and that its present authorization be doubled. Proposed extension and increased authorization would broaden potential of program badly needed to help disposal of burdensome farm surplus.

JAKE WEEKS,
Missouri Cotton Producers Association.

CHARLESTON, Mo., March 29, 1957.

Hon. HAROLD COOLEY,
*Chairman, Committee on Agriculture,
House of Representatives, Washington, D. C.:*

Sincerely regret unable to appear for hearing on Public Law 480. Today the following organizations strongly urge extension of Public Law 480 with sufficient appropriation to warrant continuation of disposal of surplus cotton stocks: Missouri Cotton Producers Association, Tennessee Agriculture Council, Delta Council of Mississippi, Agriculture Council of Arkansas, Louisiana Delta Council, American Cotton Producers Association.

A. L. STORY.

If no one else desires to testify orally or submit a statement, the committee will stand adjourned.

(Thereupon, at 12:20 p. m. the hearing was adjourned.)

×

17

18

LEGISLATIVE HISTORY

Public Law 85-128
S. 1314

TABLE OF CONTENTS

Index and summary of S. 1314.	.1
Digest of Public Law 85-128	.2

INDEX AND SUMMARY OF S. 1314

Jan. 17, 1957	Sen. Thye introduced S. 671 which was referred to Senate Agriculture and Forestry Committee.
Feb. 7, 1957	Sen. Humphrey introduced and discussed S. 1127 which was referred to Senate Agriculture and Forestry Committee. Print of bill as introduced.
Feb. 20, 1957	Sen. Ellender introduced S. 1314 which was referred to S. Agriculture and Forestry Committee. Print of bill as introduced.
Mar. 4, 1957	Rep. Cooley introduced H. R. 5534 which was referred to House Committee on Agriculture. Print of bill as introduced.
Mar. 20, 1957	Senate committee ordered S. 1314 reported without amendment.
Mar. 26, 1957	Senate committee reported S. 1314 without amendment. Senate Report No. 188. Print of bill and report.
Mar. 29, 1957	Senate began debate on S. 1314.
Apr. 1, 1957	Senate passed S. 1314 without amendment.
Apr. 2, 1957	S. 1314 was referred to House Committee on Agriculture. Print of bill as referred.
Apr. 17, 1957	Rep. Cooley introduced H. R. 6974 which was referred to House Agriculture Committee.
May 3, 1957	House committee ordered H. R. 6974 reported.
May 9, 1957	House committee reported H. R. 6974 without amendment. House Report No. 432. Print of bill and report.
May 23, 1957	Rules Committee reported resolution for consideration of H. R. 6974. H. Res. 264, H. Rept. 476.
June 3, 1957	House began debate on H. R. 6974.
June 4, 1957	House continued debate on H. R. 6974.
June 5, 1957	Rules Committee granted open rule waiving points of order.
June 6, 1957	Rules Committee reported H. Res. 274, H. Rept. 538, waiving points of order. Print of H. Res. and report.

June 20, 1957 House agreed to resolution and resumed debate.
June 21, 1957 House passed H. R. 6974 with amendments.
June 24, 1957 House passed S. 1314 with amendment. (Amendment was insertion of language of H. R. 6974).
June 27, 1957 Senate disagreed to House amendments. Senate conferees were appointed. Senate indefinitely postponed action on H. R. 6974.
June 28, 1957 House conferees appointed.
July 2, 1957 Conferees agreed to file report.
July 5, 1957 House received conference report. House Report No. 683. Print of conference report.
July 9, 1957 House agreed to conference report.
Aug. 5, 1957 Senate agreed to conference report.
Aug. 13, 1957 Approved: Public Law 85-128

Hearings: Senate Agriculture and Forestry on S. 1314 (^{Sec} S. 671)
House Agriculture Committee on H. R. 1905, 1906.

DIGEST OF PUBLIC LAW 85-128

AMENDMENTS TO AGRICULTURAL TRADE DEVELOPMENT AND ASSISTANCE ACT. Amends this Act as follows: Increases from \$3 billion to \$4 billion the maximum amount authorized to be appropriated to reimburse the Commodity Credit Corporation for commodities disposed of, and costs incurred, under Title I of the Act which provides for the sale of surplus agricultural commodities for foreign currencies. Increases from \$500 million to \$800 million the limitation on expenditures under Title II of the Act which provides for famine assistance or other emergency relief abroad. Extends the termination dates of Titles I and II from June 30, 1957 to June 30, 1958. Permits barter transactions with European satellite nations, and use of Sec. 416 authority (Sec. 302, Public Law 480) to donate commodities in these nations. Provides that up to twenty-five percent of foreign currencies accruing under each Title I agreement shall be available for loans to private enterprise; such loans can be made to U. S. private firms for general business development and trade expansion and to either U. S. or foreign firms to establish facilities to expand markets for U. S. agricultural products. Provides that within sixty days after any agreement is entered into for the use of any foreign currencies, a full report thereon shall be made to the Senate and House of Representatives and to the Committees on Agriculture and Appropriations thereof.

S. 671

IN SENATE, JANUARY 10, 1890.

REPORT
OF THE
COMMISSIONER OF THE GENERAL LAND OFFICE,
IN RESPONSE TO A RESOLUTION OF THE SENATE,
PASSED MAY 1, 1889.

A BILL

TO AMEND AN ACT, PASSED APRIL 22, 1880,
TO PROVIDE FOR THE SALE OF LANDS BELONGING TO THE
UNITED STATES.

ENACTED BY THE SENATE AND HOUSE OF REPRESENTATIVES
OF THE UNITED STATES OF AMERICA, IN CONGRESS ASSEMBLED.

IN SENATE, JANUARY 10, 1890.

IN HOUSE, JANUARY 10, 1890.

85TH CONGRESS
1ST SESSION

S. 671

IN THE SENATE OF THE UNITED STATES

JANUARY 17 (legislative day, JANUARY 3), 1957

Mr. THYE introduced the following bill; which was read twice and referred to the Committee on Agriculture and Forestry

A BILL

To extend and enlarge the Agricultural Trade Development and Assistance Act of 1954, as amended.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*
3 That section 103 (b) of the Agricultural Trade Develop-
4 ment and Assistance Act of 1954, as amended (Public Law
5 480, Eighty-third Congress), is amended by striking out
6 “\$3,000,000,000” and inserting in lieu thereof “\$4,000,-
7 000,000”.

8 SEC. 2. Section 109 of such Act is amended by striking
9 out “June 30, 1957” and inserting “June 30, 1958”.

10 SEC. 3. Section 204 of such Act is amended by striking
11 out “June 30, 1957” and inserting “June 30, 1958”.

1 SEC. 4. Section 304 of such Act is amended by adding
 2 at the end thereof the following: "Nothing in this section
 3 shall be construed as prohibiting the barter or exchange of
 4 nonstrategic agricultural commodities with any country other
 5 than the Union of Soviet Socialist Republics, Communist
 6 China, or North Korea."

85TH CONGRESS
 1ST Session

S. 671

A BILL

To extend and enlarge the Agricultural Trade
 Development and Assistance Act of 1954, as
 amended.

By Mr. THYE

JANUARY 17 (legislative day, JANUARY 3), 1957
 Read twice and referred to the Committee on
 Agriculture and Forestry

S. 1127

BY THE SENATE OF THE UNITED STATES

January 18, 1907

IN SENATE, February 1, 1907.
REPORT OF THE COMMITTEE ON COMMERCE AND NAVY,
OF THE SENATE OF THE UNITED STATES.

A BILL

to amend the Act approved July 1, 1906, entitled "An Act to regulate the
Navigation of the Great Lakes."

Submitted by the Senate and Passed by the Senate
on the 1st day of February, 1907.
THOMAS B. REED, Chairman of the Committee on Commerce and Navy.

85TH CONGRESS
1ST SESSION

S. 1127

IN THE SENATE OF THE UNITED STATES

FEBRUARY 7, 1957

Mr. HUMPHREY introduced the following bill ; which was read twice and referred to the Committee on Agriculture and Forestry

A BILL

To extend and enlarge the Agricultural Trade Development and Assistance Act of 1954, as amended.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*
3 That section 103 (b) of the Agricultural Trade Develop-
4 ment and Assistance Act of 1954, as amended (Public Law
5 480, Eighty-third Congress), is amended by striking out
6 “\$3,000,000,000” and inserting in lieu thereof “\$6,000,-
7 000,000”.

8 SEC. 2. Section 109 of such Act is amended by striking
9 out “June 30, 1957” and inserting “June 30, 1959”.

10 SEC. 3. Section 204 of such Act is amended by striking
11 out “June 30, 1957” and inserting “June 30, 1959”.

1 SEC. 4. Section 304 of such Act is amended by adding
 2 at the end thereof the following: "Nothing in this section
 3 shall be construed as prohibiting the barter or exchange of
 4 nonstrategic agricultural commodities with any country other
 5 than the Union of Soviet Socialist Republics, Communist
 6 China, or North Korea."

85TH CONGRESS
1ST SESSION

S. 1127

A BILL

To extend and enlarge the Agricultural Trade
Development and Assistance Act of 1954,
as amended.

By Mr. HUMPHREY

FEBRUARY 7, 1957

Read twice and referred to the Committee on
Agriculture and Forestry

The trustees of the fund should be required to include in reporting to the membership the specific reasons for the selection of the carrier finally chosen. The carrier should be required to warrant that no fee or other remuneration of any kind has been paid directly or indirectly to any representative of the parties in connection with the business of the fund.

7. Where a union or union trustees participate in the administration of the investment of welfare fund reserves, the union or its trustees should make every effort to prohibit the investment of welfare fund reserves in the business of any contributing employer, insurance carrier or agency doing business with the fund, or in any enterprise in which any trustee, officer or employee of the fund has a personal financial interest of such a nature as to be affected by the fund's investment or disinvestment.

(This is not to be construed as preventing investment in an enterprise in which a union official is engaged by virtue to his office, provided (i) no substantial personal advantage is derived from the relationship, and (ii) the concern or enterprise is one in the management of which the union participates for the benefit of its members.)

8. Where any trustee, agent, fiduciary or employee of a health or welfare program is found to have received an unethical payment, the union should insist upon his removal and should take appropriate legal steps against both the party receiving and the party making the payment. Where health and welfare funds are negotiated or administered by local unions or by other organizations subordinate to or affiliated with a national or international union, provision should be made to give the national or international union the authority to audit such funds and to apply remedies where there is evidence of a violation of ethical standards.

9. Every welfare program should provide redress against the arbitrary or unjust denial of claims so as to afford the individual member prompt and effective relief where his claim for benefits has been improperly rejected. Every program should provide for the keeping of complete records of the claims experience so that a constant check can be maintained on the relationship between claims and premiums and dividends, and on the utilization of the various benefits.

10. The duty of policing and enforcing these standards is shared by every union member, as well as by local, national and international officials. The best safeguard against abuses lies in the hands of a vigilant, informed and active membership, jealous of their rights and interests in the operation of health and welfare programs, as well as any other trade union program. As a fundamental part of any approach to the problem of policing health and welfare funds, affiliated unions, through education, publicity and discussion programs, should seek to develop the widest possible degree of active and informed interest in all phases of these programs on the part of the membership at large. International unions should, wherever possible, have expert advice available for the negotiation, establishment and administration of health and welfare plans, and should provide training for union representatives in the techniques and standards of proper administration of welfare plans.

11. Where constitutional amendments or changes in internal administrative procedure are necessary to comply with the standards herein set forth, such amendments and changes should be undertaken at the earliest practicable time.

LAKE MICHIGAN WATER DIVERSION

Mr. DOUGLAS. Mr. President, on behalf of my colleague, the junior Senator from Illinois [Mr. DIRKSEN], and myself, I introduce for appropriate reference a bill to authorize the State of Illinois and the Sanitary District of Chicago to test, on a 3-year basis, under the direction of the Secretary of the Army, the effect of increasing the diversion of water from Lake Michigan into the Illinois Waterway. The bill would authorize a desperately needed additional diversion at a rate providing a total annual average of not more than 2,500 cubic feet per second, which is an increase of an annual average rate of 1,000 cubic feet per second over existing diversion.

There is a real need for the benefits provided by this bill. The health and welfare of an expanding 5½ million people residing within the service area of the Chicago Sanitary District must be seriously considered. The increased demands of an expanding population require an equal expansion of facilities of this type, including the expanded need for water. The Chicago Sanitary District has spent over \$300 million in an effort to solve this problem. The history of their accomplishments is an example of the finest in sanitary engineering skills. There is possible only 90 percent purification and the irreducible residue of effluvia has a bad effect upon the flow of the Illinois Waterway unless diluted with additional oxygen. The Illinois Waterway, a vital transportation link, connecting the Mississippi Valley with the Great Lakes, is carrying an ever-increasing volume of commercial water traffic. Development of the St. Lawrence seaway will greatly increase the traffic demands on this Illinois water route. Additional water is needed to provide the Illinois River with the means of meeting this demand.

During the 84th Congress a similar bill—H. R. 3210—was considered by both the House and the Senate, and was the subject of extensive hearings before the House Public Works Committee and the Senate Public Works Committee. Each committee favorably reported the bill. Testimony and documents produced before each of the committees and on the floor of the Senate during debate, I believe, conclusively demonstrated the need for the bill, and the authority of Congress to enact the bill. The bill passed both the House and Senate with large majorities and support by both parties. The subsequent veto by the President expressed the need for additional reports on control of lake levels and discussion with Canada prior to enactment. The President has since requested the State Department to begin discussion with Canada to solve these differences, and that the Department of Defense expedite completion of their report. I hope those requests will be honored in time to permit early consideration and enactment of the bill.

Adequate safeguards have been retained in the bill. They are, first, a limitation of not more than 5,000 cubic feet per second at any time; second, the Secretary of the Army shall at all times have direct control and supervision of the amount of water directly diverted from Lake Michigan; and, third, prohibition of the diversion of water into the Illinois Waterway during times of flood in the Illinois, Des Plaines, Chicago, and Calumet Rivers. Downstate Illinois communities urge passage of the bill because of their need for increased water for navigation, a cleaner river, and the enhancement of their underground water supply.

I sincerely hope the Senate will carefully consider the bill and give the necessary approval.

The VICE PRESIDENT. The bill will be received and appropriately referred.

The bill (S. 1123) to authorize the State of Illinois and the Sanitary District of Chicago, under the direction of the Secretary of the Army, to test, on a 3-year basis, the effect of increasing the diversion of water from Lake Michigan into the Illinois Waterway, and for other purposes, introduced by Mr. DOUGLAS (for himself and Mr. DIRKSEN), was received, read twice by its title, and referred to the Committee on Public Works.

TRANSFER OF PUBLIC EMPLOYMENT SERVICE FOR THE DISTRICT OF COLUMBIA TO THE GOVERNMENT OF THE DISTRICT OF COLUMBIA

Mr. CASE of New Jersey. Mr. President, the Wagner-Peyser Act of 1933 established a nationwide system of public employment offices. These offices, which are located in all 48 States, Alaska, Hawaii, Puerto Rico, and the Virgin Islands, are operated as a State function in cooperation with the United States Employment Service. In addition, the operation of these offices is coordinated with the administration of unemployment insurance, another State operation.

The District of Columbia is in an unusual situation with respect to these functions. On the one hand, the statutes presently require that the United States Department of Labor operate the public employment service for the District, a practice which does not conform with the pattern throughout the rest of the country. At the same time, unemployment insurance for workers in the District of Columbia is administered, as it should be, by the District government. Thus two different jurisdictions presently administer functions whose administration should be in conjunction with each other to assure maximum benefit from both.

I introduce, for appropriate reference, a bill which would transfer the public employment service for the District to the District government and thereby place responsibility for the operation of the program, together with the means of carrying it out, in the hands of local

rather than Federal authority. The economy and efficiency of both employment service and unemployment insurance programs should increase as a result of administration by the same authority.

The proposal authorizes and directs the District Commissioners to furnish the public employment services required by the Wagner-Peyser Act. To accomplish this purpose, the Commissioners are directed to establish a new agency with at least two coordinate divisions, one to administer the employment service and the other to administer the unemployment insurance functions. As at present, all employees administering these functions are to be included in the Federal civil service.

No change in the cost to the Federal Government of operating this service should result from enactment of this proposal since the District will be reimbursed by the Federal Government, as are all States, of the costs of the operation.

This bill, if enacted, would constitute legislation separate from the Wagner-Peyser Act, but would contain certain necessary amendments of that act.

The VICE PRESIDENT. The bill will be received and appropriately referred.

The bill (S. 1124) to transfer to the government of the District of Columbia the Public Employment Service for the District of Columbia, and for other purposes, introduced by Mr. CASE of New Jersey, was received, read twice by its title, and referred to the Committee on the District of Columbia.

PARTICIPATION BY CORN PRODUCERS IN 1957 SOIL-BANK AND PRICE-SUPPORT PROGRAMS

Mr. HICKENLOOPER. Mr. President, on behalf of myself, the Senator from Florida [Mr. HOLLAND], the junior Senator from Iowa [Mr. MARTIN], and the Senator from Nebraska [Mr. HRUSKA], I introduce, for appropriate reference, a bill relating to the corn program for the year 1956. I ask unanimous consent that the bill be printed in full at this point in my remarks, and that I may be permitted to have printed in the RECORD, following the printing of the bill, a statement I have prepared in connection therewith.

The VICE PRESIDENT. The bill will be received and appropriately referred; and, without objection, the bill and statement will be printed in the RECORD.

The bill (S. 1125) to enable corn producers to participate in the 1957 soil-bank and price-support programs and for other purposes, introduced by Mr. HICKENLOOPER (for himself, Mr. HOLLAND, and Mr. MARTIN of Iowa), was received, read twice by its title, referred to the Committee on Agriculture and Forestry, and ordered to be printed in the RECORD, as follows:

Be it enacted, etc., That notwithstanding any other provision of law, section 103 of the Agricultural Act of 1956 (Public Law 540, 84th Cong.) is amended by adding a new subsection (c) as follows: (c) For the 1957 crop year, corn producers in the

commercial corn area may qualify for price support on corn and participate in the soil bank program by complying, in accordance with regulations issued by the Secretary of Agriculture, with either of the alternatives presented to producers in the corn referendum dated December 11, 1956, pursuant to the provisions of the Agricultural Act of 1956 (Public Law 540, 84th Cong.) and price support in the noncommercial corn area shall be 82½ percent of the average of the price support in the commercial corn area as estimated by the Secretary of Agriculture.

The statement, presented by Mr. HICKENLOOPER, is as follows:

By introducing the accompanying bill, to enable corn producers to participate in the 1957 soil bank on a basis of the farmers' choice between the propositions submitted in the corn referendum of last December, I hope that it may provide a formula for a satisfactory compromise on this program as between a number of theories that have been advanced. Time is short; it is essential that farmers know very soon what the program is to be. By way of a short explanation at this time, I make the following statement:

(1) The Agricultural Act of 1956 authorized and directed the Secretary of Agriculture to offer corn farmers in the commercial area an opportunity to decide whether they preferred (1) a corn acre allotment of 37,289,000 with price support at \$1.36 for bushels or (2) a corn base acreage of 51 million acres with price support at a level which will assist farmers in marketing corn but not encourage uneconomic production (set by the Secretary at \$1.31 per bushel for 1957) provided that an acreage equal to 15 percent of the farm corn base acreage is put into the soil bank. Such acreage could be put into either the acreage reserve or the conservative reserve or a combination of the two programs.

(2) 61.5 percent of the 437,490 votes cast in the referendum on December 11, 1956 were for the lower price support and higher acreage with the requirement that an acreage equal to 15 percent of the farm corn base acreage must be put in the soil bank.

(3) Prior to the referendum, farmers were given a written notice of the acreages allotted to their farm under both the 51 million corn base acreage and the 37.3 million acre corn allotment, the level of price support under both programs, and what would be required for participation in the soil bank under both programs.

(4) The amendment here proposed would permit a corn farmer in the commercial corn area to plant within either the farm base acreage for his farm or the farm acreage allotment. Those farmers choosing to plant within the farm base acreage would be eligible for price support at a national average of \$1.31 per bushel if an acreage equal to 15 percent of the farm base acreage was put into the soil bank. Those farmers planting within the farm corn allotment would be eligible for price support at \$1.36 per bushel. They would not be required to put any acreage in the soil bank.

(5) The amendment is a temporary measure to deal with the corn problem in 1957 only.

(6) It permits farmers immediately upon passage of the act to know what they may do without further administrative work on the part of the USDA since farmers may use the same notice for planting purposes that they used to participate in the referendum.

(7) Noncommercial area price support would be determined by the Secretary of Agriculture on the basis of 82½ percent of the average of the price support in the commercial corn area.

EXTENSION OF AGRICULTURAL TRADE DEVELOPMENT AND ASSISTANCE ACT OF 1954, AS AMENDED

Mr. HUMPHREY. Mr. President, I am about to introduce a bill and I ask unanimous consent that I may speak on it in excess of the 3 minutes allowed under the order which has been entered.

The VICE PRESIDENT. Without objection, the Senator from Minnesota may proceed.

Mr. HUMPHREY. Mr. President, I introduce, for appropriate reference, a bill to extend for 2 years the basic authority for disposal of surplus farm commodities for foreign currencies, under title I of Public Law 480, enacted by the 83d Congress. The bill authorizes export commitments of an additional \$3 billion worth of farm commodities during that extended period.

Mr. President, I wish to emphasize that this constructive program is far more than just a farm-surplus disposal program. It is another arm of our foreign policy, a vital part of our efforts to maintain trade relations with countries lacking dollars to trade with us.

In considering an extension and increase in authorization for sales of our farm commodities for foreign currencies, it should be understood that the foreign currencies obtained are used by the United States for constructive purposes which otherwise might require direct appropriations. In other words, in many instances the program permits us to make use of our abundance of American food, instead of just using American dollars in carrying forward programs abroad.

For example, foreign currencies obtained from Public Law 480 sales are being used for payment of United States obligations abroad for military procurement, for purchase of strategic materials, for purchase of goods for other countries under military or economic aid programs, loans for multilateral trade and economic development, financing of the international educational exchange program, and last, but far from least, new market development for American farm products.

It can easily be seen that the amount authorized for Public Law 480 is far from a loss in the economic sense, and far from being solely a charge against agriculture for surplus disposal. It is much broader; it is an interlocking program making wiser use of our abundance to carry forward objectives of our foreign policy, and our entire Nation's self-interest.

Mr. President, at the conclusion of my remarks I shall place in the RECORD tables indicating the amounts of farm commodities moved under this program, and the uses for which foreign currencies have been designated under agreements to date.

Mr. President, the budget message recognized the need for continuation of this program, but proposed an extension of the program to only June 30, 1958, and asked only an additional \$1 billion for that purpose.

Mr. President, I wish to explain why, after a careful study of the program, I am asking that it be extended instead to June 30, 1959, with an authorization of an additional \$3 billion.

Officials of the Department of Agriculture concede that they already have pending requests from countries seeking to conclude agreements amounting to more than \$1 billion.

Furthermore, as a practical matter the increase we are talking about is not an extension covering the period from June 30, 1957, when the present authorization expires, to June 30, 1958, as the administration proposes. Actually, it must be enough to cover carrying on this program from the end of the current month, if we are to avoid a sharp curtailment in this export program.

In a letter to me, dated January 29, 1957, signed by Assistant Secretary Earl Butz, the Department of Agriculture confirms that its current funds for this program are virtually exhausted and will not be sufficient to complete this fiscal year.

Assistant Secretary Butz says, in part:

The \$3 billion authorization for foreign currency sales under title I of Public Law 480 is nearly exhausted; only about \$200 million remains to be programmed. On the basis of title I negotiations now in progress and current program planning, it is expected that the remaining \$200 million will be committed by the end of February or soon thereafter.

It can be readily seen that the Department expects to be at the end of its present dollar authority by the end of this month—4 months before the end of the fiscal year during which its authority for the program continues.

Furthermore, the same letter makes it apparent that the Department expects to continue its program during those 4 months out of the additional authorization voted by Congress for the period ahead—whether that be the 1 year asked by the administration, or the 2 years I have proposed.

Mr. Butz continues:

The President in his budget message requested an additional \$1 billion for these sales and an extension of 1 year to the authority to June 30, 1958. It is hoped that this increase will be granted soon so that we can continue to enter into new agreements. Additional authority would also facilitate the orderly programming of commodities for fiscal year 1958.

Mr. President, it should be obvious that if the Department of Agriculture has pending requests for \$1 billion worth of American farm commodities, and if it intends to proceed with new sales agreements between now and the start of the new fiscal year under the extension we are being asked to provide, new authority of \$1 billion certainly is not going to carry on the program through another entire fiscal year. In fact, the possibility exists that the entire amount might be committed before the beginning of the fiscal year for which we are supposedly voting an extension.

For that reason I am asking us to be realistic: to consider the fact the Department has already used up available funds, and to provide realistically for carrying on the program between the present time and June 30, 1959.

Mr. President, the 2-year extension is more realistic in developing the kind of constructive programs we hope to achieve under this program, and in providing the time necessary for working out participation by some countries. It will also give us a better opportunity to appraise the effectiveness of the program and to consider transitional means of shifting more toward direct dollar trade.

Mr. President, if we do not provide the 2-year extension now, we can accept as a certainty that requests will be made of us a year from now for another 1-year extension. Even Secretary Benson indicated that possibility in his testimony before the Senate Committee on Agriculture.

For the purpose of more efficient operations, planning and programming, I believe it would be far wiser to grant the 2-year authority now, rather than to proceed in piecemeal, year-at-a-time fashion.

Mr. President, I have tried to emphasize the importance of Public Law 480 to our general trade and foreign policy. However, I do not want to minimize its vital importance to American agriculture at a time when it is the weakest link in our economy.

Let me quote further from Mr. Butz' letter of January 29, in response to my inquiry about this program:

We agree that operations under Public Law 480 have stimulated agricultural marketing. Title I sales have contributed substantially to increases in United States agricultural exports that have taken place; for some commodities, these sales have been the primary factor in maintaining exports at high levels. Well over 400 million bushels of wheat will be exported under agreements signed to date, including the 3-year programs with Brazil and India; about 1.2 billion pounds of soybean oil and cottonseed oil, 65 million bushels of feed grains, 130 million pounds of dairy products, and 150 million pounds of meat and meat products have also been programmed.

Title I sales are making important reductions in Commodity Credit Corporation inventories, particularly wheat, rice, and cotton. In addition, these sales are moving other commodities in surplus supply directly into consumption channels.

Mr. President, it seems good business to me to keep going a program that reduces our surpluses, cuts domestic storage costs, and at the same time provides foreign currency for making military purchases and granting economic development loans.

Mr. President, I wish to make one further point. As a United States Delegate to the United Nations, it was my privilege recently to present to that body on behalf of our Government a United States proposal to encourage international assistance toward establishment of national food reserves in various parts of the world. Our Government extended an offer to cooperate in providing commodities for such stockpiles, as well as commodities to aid in financing construction of storage facilities for such reserves.

From all indications, our proposal was favorably received. My reason for mentioning it here, however, is to emphasize that our Government will need as a mini-

mum the extension and expansion I have proposed under Public Law 480 if it is to carry forward in good faith the public commitment it has made through the United Nations to other countries of the world.

Mr. President, at this time I ask unanimous consent to have printed in the RECORD the full text of the letter from Assistant Secretary Butz, to which I have referred, as well as three tables prepared by the Department of Agriculture covering the operations of Public Law 480 to date. I also ask unanimous consent to have printed in the RECORD a press release summarizing my presentation of the World Food Reserve program to the United Nations, to which I have also referred. Let me add that my presentation on the World Food Reserve program, which I submitted to the United Nations, was accepted unanimously by 80 nations in the United Nations General Assembly, and therefore commits our Government to long-term programs for the use of our agricultural abundance.

There being no objection, the letter, tables, and release were ordered to be printed in the RECORD, as follows:

DEPARTMENT OF AGRICULTURE,
Washington, D. C., January 29, 1957.
The Honorable HUBERT H. HUMPHREY,
United States Senate.

DEAR SENATOR HUMPHREY: This is in response to your letter of January 7, 1957, concerning the amount of funds available for programming under Public Law 480.

The \$3 billion authorization for foreign currency sales under title I of Public Law 480 is nearly exhausted; only about \$200 million remains to be programmed. On the basis of title I negotiations now in progress and current program planning it is expected that the remaining \$200 million will be committed by the end of February or soon thereafter.

The President in his budget message requested an additional \$1 billion for these sales and an extension of 1 year to the authority to June 30, 1958. It is hoped that this increase will be granted soon so that we can continue to enter into new agreements. Additional authority would also facilitate the orderly programming of commodities for fiscal year 1958.

We agree that operations under Public Law 480 have stimulated agricultural marketing. Title I sales have contributed substantially to increases in United States agricultural exports that have taken place; for some commodities, these sales have been the primary factor in maintaining exports at high levels. Well over 400 million bushels of wheat will be exported under agreements signed to date, including the 3-year programs with Brazil and India; about 1.2 billion pounds of soybean oil and cottonseed oil, 65 million bushels of feed grains, 130 million pounds of dairy products, and 150 million pounds of meat and meat products have also been programmed.

Title I sales are making important reductions in Commodity Credit Corporation inventories, particularly wheat, rice, and cotton. In addition, these sales are moving other commodities in surplus supply directly into consumption channels.

We appreciate your interest in Public Law 480 activities and welcome your support for an extension of these programs.

Sincerely yours,

EARL L. BUTZ,
Assistant Secretary.

EXHIBIT I.—Approximate quantities of commodities under title I, Public Law 480 agreements signed from beginning of program through Dec. 31, 1956

Country	Wheat and flour	Feed grains ¹	Rice	Cotton ²	Tobacco	Dairy products ³	Fats and oils ⁴	Poultry	Dry edible beans	Fruit and vegetables	Meat	Hay and pasture seeds
	Thousand bushels	Thousand bushels	Thousand hundred-weight	Thousand bales	Thousand pounds	Thousand pounds	Thousand pounds	Thousand pounds	Thousand hundred-weight	Thousand pounds	Thousand pounds	Thousand hundred-weight
Argentina.....							220,000					
Austria.....	2,025	7,091		42.5	5,900		⁵ 16,552			⁶ 1,974		
Brazil.....	⁷ 85,211	688			125	10,190	⁸ 55,092					
Burma.....				125.2	1,467	9,682				⁶ 1,579		
Chile.....	7,316			37.6	300	9,900	⁸ 94,019					55
China (Taiwan).....				35.6	2,000	4,740	10,811					
Colombia.....	2,612			48.3		3,307	14,141					
Ecuador.....	597			6.0	323		13,629					
Egypt.....	10,329											
Finland.....	3,724	1,581		36.1	9,990	1,163				⁶ 10,720		
France.....					3,216			3,000				
Germany.....						34,761	⁸ 83,288					
Greece.....	6,378	5,073				14,770						
India ⁹	128,600		4,409	500.0	6,000							
Indonesia.....	2,894		5,629	250.2	23,000							
Iran.....	2,120					11,708	5,773					
Israel.....	9,251	7,356	7	15.5	550	18,556	19,450		37		⁹ 40,000	
Italy.....	948	5,860		453.8	9,798		196,815					
Japan.....	30,866	11,450	2,111	305.0	9,462							
Korea.....	4,122	10,000		102.7	12,667	2,751	⁸ 24,004				⁹ 19,842	
Netherlands.....				1.8								
Pakistan.....	15,357		6,636	189.5	5,317	5,105	21,159					
Paraguay.....	994					933	⁸ 3,126					
Peru.....	5,014					621	22,000					
Portugal.....	3,751											
Spain.....	¹⁰ 2,446	5,916		² 221.9	11,388		515,001			⁶ 66,667	⁹ 71,255	
Thailand.....					2,700	1,857						
Turkey.....	26,890	10,902	220				92,551				⁹ 17,637	
United Kingdom.....					38,625							
Yugoslavia.....	80,460			199.7	0	0	⁸ 190,566					
Total.....	431,905	65,917	19,012	2,571.4	142,828	130,044	1,597,977	3,000	37	80,940	148,734	55

¹ Feed grains:

	Thousand bushels
Feed wheat.....	2,234
Corn.....	27,095
Oats.....	5,843
Barley.....	24,950
Grain sorghums.....	5,795
Total.....	65,917

² Includes 15,400 bales cotton linters for Spain.³ Dairy products:

	Thousand pounds
Condensed milk.....	6,229
Dry whole milk.....	3,831
Nonfat dry milk.....	55,602
Evaporated milk.....	14,680
Butter.....	17,057
Cheese.....	8,258
Butter oil.....	2,861
Butter oil and/or ghee.....	15,276
Ghee.....	4,249
Whey.....	2,001
Total.....	130,044

⁴ Fats and oils:

	Thousand pounds
Cottonseed oil.....	121,590
Cottonseed oil and/or soybean oil.....	776,715
Cottonseed oil, soybean oil, and/or lard.....	320,151
Linseed oil.....	11,945
Lard.....	211,572
Tallow and/or grease.....	126,004
Total.....	1,597,977

⁵ Entire quantity shown for country is lard except Brazil, Chile, Greece, Korea, Paraguay, and Yugoslavia which includes lard as follows:

	Thousand pounds
Brazil.....	44,069
Chile.....	3,241
Greece.....	3,571
Korea.....	14,327
Paraguay.....	1,300
Yugoslavia.....	158,512

⁶ Fruits and vegetables:

	Thousand pounds
Austria:	
Canned fruit and fruit juices.....	47
Dried fruit.....	1,927
Burma:	
Canned fruit and fruit juices.....	769
Dried fruit.....	810
Finland:	
Dried fruit.....	9,800
Fresh pears.....	920
Spain, potatoes.....	

⁷ Includes 65,055,000 bushels under fiscal year 1957 program to be shipped over a 3-year period.⁸ 3-year program except rice which is a 1-year program.⁹ Meat:Israel and Turkey, frozen beef.
Korea, canned pork.

Spain:

	Thousand pounds
Canned hams.....	2,571
Salt pork.....	4,267
Frozen beef.....	64,417

¹⁰ Wheat to be sold to Spain for resale to Switzerland for financing procurement of Swiss goods by Spain.

EXHIBIT II.—Commodity composition of programs under title I, Public Law 480, agreements signed from beginning of program through Dec. 31, 1956

[In millions of dollars]

Country	Wheat	Feed grains	Rice	Cotton ¹	Tobacco	Dairy products	Fats and oils	Other	Market value	Ocean transportation	Market value including ocean transportation ²	Estimated CCC cost including ocean transportation ³
Argentina.....							30.4		30.4	0.7	31.1	34.0
Austria.....	3.4	10.6		6.1	3.5		2.4	³ 0.3	26.3	2.3	28.6	41.8
Brazil.....	⁴ 145.2	.9			.2	2.2	8.3		156.8	23.9	180.7	301.0
Burma.....				17.5	1.1	2.0		³ 2	20.8	.9	21.7	31.2
Chile.....	12.1			5.3	.2	1.0	16.0	⁵ 2.5	37.1	3.0	40.1	56.0
China (Taiwan).....				5.0	1.7	1.5	1.0		9.2	.6	9.8	12.5
Colombia.....	5.0			7.6		.7	2.5		15.8	1.1	16.9	21.1
Ecuador.....	1.2			.8	.2		1.5		3.7	.3	4.0	5.3
Egypt.....	17.1								17.1	2.5	19.6	38.7
Finland.....	6.3	2.3		5.8	6.0	.5		² 1.2	22.1	1.9	24.0	34.3
France.....					2.1				2.1		2.1	2.1
Germany.....								⁶ 1.2	1.2		1.2	1.2
Greece.....	11.0	5.4				3.6	11.3		31.3	3.1	37.7	51.2
India ⁷	200.0		26.4	70.0	6.0	3.5			305.9	⁸ 60.2	366.1	553.4

Footnotes at end of table.

EXHIBIT II.—Commodity composition of programs under title I, Public Law 480, agreements signed from beginning of program through Dec. 31, 1956—Continued

[In millions of dollars]

Country	Wheat	Feed grains	Rice	Cotton ¹	Tobacco	Dairy products	Fats and oils	Other	Market value	Ocean transportation	Market value including ocean transportation ²	Estimated CCC cost including ocean transportation ²
Indonesia	5.0		35.8	36.0	15.0				91.8	6.1	97.9	153.5
Iran	3.9					6.0	1.4		11.3	1.2	12.5	20.0
Israel	15.8	8.4	.1	2.6	7.4	5.8	3.0	⁸ 10.3	46.4	5.2	51.6	76.5
Italy	1.6	10.0		65.3	7.4		30.0		114.3	4.5	118.8	157.3
Japan	49.7	14.3	14.4	52.8	7.7				138.9	11.9	150.8	210.1
Korea	6.4	11.5		17.2	6.6	1.0	3.0	¹⁰ 8.0	53.7	5.3	59.0	74.6
Netherlands				.27					.27	.01	.28	.4
Pakistan	25.5		41.9	29.0	4.8	2.5	3.3		107.0	13.7	120.7	194.9
Paraguay	1.7					.4	.5		2.6	.4	3.0	4.3
Peru	8.9					.2	3.0		12.1	1.4	13.5	20.3
Portugal	6.3								6.3	.8	7.1	13.7
Spain ¹¹	4.6	9.1		¹ 32.9	6.2		89.6	¹² 19.3	161.7	15.0	176.7	199.2
Thailand					1.9	.5			2.4	.1	2.5	2.8
Turkey	45.4	13.3	1.4				12.3	¹³ 4.4	76.8	13.9	90.7	136.2
United Kingdom					27.0				27.0	.4	27.4	27.4
Yugoslavia	137.2			30.9			26.0		194.1	28.0	222.1	348.1
Total agreements	713.3	85.8	120.0	385.07	98.0	31.4	248.5	47.4	1,729.47	208.71	1,938.18	2,826.1

¹ Spanish program includes \$0.3 million cotton lint.² Includes only ocean transportation to be financed by CCC except as noted in footnote 8.³ Fruit.⁴ Includes \$111 million under fiscal year 1957 agreement to be shipped over a 3-year period.⁵ Hay and pasture seeds, \$2.5 million.⁶ Poultry.⁷ 3-year program except rice, which is a 1-year program.⁸ Includes \$6 million estimated for ocean freight differential for which no rupee

deposits are required. The balance, \$54.2 million, only, is reflected in the currency use table III.

⁹ Dry edible beans, \$0.3 million; chilled or frozen beef, \$10 million.¹⁰ Canned pork.¹¹ Wheat to be sold to Spain for resale to Switzerland for financing procurement of Swiss goods by Spain.¹² Ham, \$1.6 million; salt pork, \$0.8 million; potatoes, \$1.4 million; frozen beef \$15.5 million.¹³ Frozen beef.EXHIBIT III.—Planned uses of foreign currency under title I, Public Law 480 agreements signed from beginning of program through Dec. 31, 1956¹

[In million dollars]

Country	Total amount programmed (market value including ocean transportation)	Market development (sec. 104 (a))	Purchase of strategic material (sec. 104 (b))	Military procurement (sec. 104 (c))	Purchase of goods for other countries ² (sec. 104 (d))	Grants for multilateral trade and economic development (sec. 104 (e))	Payment of United States obligations ³ (sec. 104 (f))	Loans for multilateral trade and economic development (sec. 104 (g))	International education exchange (sec. 104 (h))	Translation and publication (sec. 104 (i))	Information and education (sec. 104 (j))
Argentina	31.1	0.6			(?)		9.8	20.0	0.7		
Austria	28.6	.7			2.0		9.7	16.0	.2		
Brazil	180.7	2.7	3.2	2.0			20.1	149.2	2.1	0.5	0.9
Burma	21.7	.5			(?)		3.9	17.3			
Chile	40.1	.8					7.0	31.7	.6		
China (Taiwan)	9.8	.7		4.9			4.2				
Colombia	16.9	.8			(?)		5.5	10.0	.6		
Ecuador	4.0	.2					.4	3.1	.3		
Egypt	19.6	.5					4.7	13.6	.8		
Finland	24.0	.5			(?)		23.2		.3	.05	
France	2.1	1.2			.6		.3				
Germany	1.2	1.1					.1				
Greece	37.7	.8				7.5	8.9	20.5			
India (3-year program)	⁴ 360.1	4.0			(?)	54.0	68.0	234.1			
Indonesia	97.9	1.0	2.0				17.2	77.4	.3		
Iran	12.5	.2		5.9			3.2	2.5	.7		
Israel	51.6	.4			(?)		14.0	36.8	.4		
Italy	118.8	2.7	1.0		² 10.0		22.9	81.2			1.0
Japan	150.8	3.3		(⁵)	10.9		⁶ 25.6	108.9	2.1		
Korea	59.0	.5		45.4			12.2		.9		
Netherlands	.28	.25					.03				
Pakistan	120.7	1.7		74.3			18.8	23.6	1.0	.3	1.0
Paraguay	3.0	.2					.5	2.2	.1		
Peru	13.5	.7					.26	9.7	.5		
Portugal	7.1	.3					3.1	3.4	.3		
Spain	176.7	3.0	1.0				62.9	107.7	1.1	.5	.5
Thailand	2.5	.4					.65	1.0	.45		
Turkey	90.7	.7					41.9	45.3	1.5	.1	1.2
United Kingdom	27.4			(⁵)			⁶ 27.4				
Yugoslavia	222.1	1.0		88.8			49.3	82.7		.3	
Total agreements ⁴	⁴ 1,932.18	31.45	7.2	221.3	23.5	61.5	468.08	1,097.9	14.95	1.75	4.6
Use as percent of total	100.0	1.6	.4	11.5	1.2	3.2	24.2	56.8	.8	.1	.2

¹ Amounts shown on this table are subject to adjustment when actual purchases and allocations have been made.² Amounts shown in this column indicate a specified amount in the agreement for this use. Footnote 2 only shows an unspecified amount for possible procurement for third countries. A footnote and an amount indicate more than 1 agreement including both specified and unspecified amounts.³ In order to provide flexibility in the use of funds, many agreements provide that a specified amount of local currency proceeds may be used under subsecs. 104 (a), (b), (f), (h), and (i). In some instances, possible uses under subsec. 104 (d) are also included in this category. Therefore, estimates based on the best information now available are indicated above under subsecs. (a), (b), (h), and (i). Balances not

otherwise distributed are included under subsec. (f). This distribution is subject to revision when allocations have been completed.

⁴ Total market value in table VI differs from total in table II by the \$6 million estimated for ocean-freight differential in the Indian agreement for which no rupee deposits will be required.⁵ The Japanese agreement for the July-June year 1955-56 provides for the use of \$8.1 million and the United Kingdom agreements provide for the entire currency use under subsec. 104 (c). However, since in return for this currency use, these countries will construct and make available to the U. S. Armed Forces an equivalent value of dependent housing, the amounts are shown under subsec. 104 (f).⁶ In some instances column totals do not add to total amount programmed because of slight differences in rounding.

SENATOR HUMPHREY OUTLINES NEW WORLD FOOD AID OFFER TO UNITED NATIONS

A proposal for international cooperation toward establishment of more adequate national food reserves was outlined to the United Nations in New York today by Senator HUBERT H. HUMPHREY (Democrat, Minnesota), member of the United States delegation to the United Nations General Assembly.

As spokesman for the United States on the world food reserves item on the U. N. agenda, Senator HUMPHREY's address explained a draft resolution submitted by the United States delegation calling for exploring possibilities of international assistance for national food reserves.

Calling attention to the fact that "the negative attitude of the United States in the past toward establishment of world food reserves has been concerned with means, rather than end," Senator HUMPHREY said he was offering the specific new proposal "in order to draw attention to approaches that might add realism to the further studies and evaluations now in progress."

"Feeling as we do about these matters of practical approach to a purpose on which there is no disagreement, it is only natural that we would want to explore a number of avenues that might, in our view, contribute to a speedier and more adequate attainment of our common objectives," Senator HUMPHREY explained.

"The establishment and maintenance of more adequate national food reserves, especially in crop-cycle and famine areas, would go a long way toward accomplishing most, if not all, of the purposes that some of us had hoped a world food reserve or a world food capital fund could meet.

"The construction of storage facilities and the accumulation of reserve stocks in 'crop-cycle' or 'famine' areas would seem to be an essential step toward general economic development. Surplus foods from abroad not only could in part finance the cost of the construction of strategically situated storage space but could also make an important direct contribution to providing the stocks that should be held as an emergency reserve. Moreover, if storage space were available, the local government's task of dealing with domestic surpluses in years of good crops would be vastly facilitated, and years of abundance would become the blessing they should be, instead of the embarrassment they now are sometimes even in countries normally plagued by shortages.

"Somehow it would seem only logical if some of the world's surplus holdings were used to bolster stocks in areas where the failure of a crop means famine and where people live on the brink of disaster from one harvest to the next.

"FAO's report eloquently describes the desirability of adequate national reserves in countries living near the margin of subsistence. Such reserves could be brought into action at an early stage of an emergency, before panic and hoarding aggravate the plight. They would also afford some 'elbow room' for projects of economic development; they could be drawn upon to help finance such projects—mitigating inflationary pressures of increased consumer demand resulting from intensified economic development.

"Unfortunately, the need for such reserves is greatest in the countries least able to afford diversion of output from current consumption to the building of stocks."

It is in the light of considerations such as these, Senator HUMPHREY told the U. N., that "my Government has authorized me to say that, in accordance with our traditions, the United States stands ready to make

grants of agricultural commodities to countries facing famine or other emergencies."

"Furthermore, the United States is prepared to make available to needy countries, under existing legislation and subject to further congressional authorizations, surplus agricultural commodities for the establishment of reserve stocks to meet extraordinary needs due to crop failures or other emergencies, or to mitigate excessive price effects of increased demand due to economic development programs.

"Assistance of this kind is predicated on the development by the countries concerned of reasonable and realistic programs, and of safeguards that ensure the observance of the FAO principle of avoiding 'harmful interferences with the normal pattern of production and international trade.' United States assistance in the above sense would be fashioned after previous arrangements entered into with several individual countries under which large parts of the local currencies received in payment for agricultural commodities supplied for building up national reserves were made available for financing economic development.

"The United States will cooperate with other countries in the further development of programs for the establishment of national food reserves * * * It is in order to stimulate a more rapid exploration of such possibilities for national action, with international assistance * * * that we are submitting the draft resolution. * * * We should be happy if it would contribute to uncover additional realistic possibilities for action that serves the noble purpose of improving the lot of the common man."

Senator HUMPHREY said he was convinced "that our first task here in the United Nations is to be realistic."

"If we aim at the possible, we will advance further than if we get stuck halfway toward the best of all worlds. It is not enough to be wanting to do a good thing; it is equally important to do it well so that the high-mindedness that we cherish does not fall into disrepute with consequent damage to the very purpose that we wish to advance," Senator HUMPHREY told the U. N.

It was in that spirit, he declared, that he presented what he regarded as a practical and constructive suggestion, going beyond past United States position on the subject of world food reserves.

The VICE PRESIDENT. The bill will be received and appropriately referred.

The bill (S. 1127) to extend and enlarge the Agricultural Trade Development and Assistance Act of 1954, as amended, introduced by Mr. HUMPHREY was received, read twice by its title, and referred to the Committee on Agriculture and Forestry.

COMPULSORY POULTRY INSPECTION

Mr. HUMPHREY. Mr. President, on behalf of myself, the Senator from New Mexico [Mr. CHAVEZ], the Senator from Pennsylvania [Mr. CLARK], the Senator from Illinois [Mr. DOUGLAS], the Senator from Rhode Island [Mr. GREEN], the Senator from Washington [Mr. JACKSON], the Senator from North Dakota [Mr. LANGER], the Senator from Michigan [Mr. McNAMARA], the Senator from Washington [Mr. MAGNUSON], the Senator from Montana [Mr. MANSFIELD], the Senator from Oregon [Mr. MORSE], the

Senator from Montana [Mr. MURRAY], the Senator from Oregon [Mr. NEUBERGER], and the Senator from Maine [Mrs. SMITH], I introduce for appropriate reference a bill providing for compulsory poultry inspection legislation.

I ask unanimous consent that I may speak on the bill in excess of the 3 minutes allowed under the order which has been entered.

The VICE PRESIDENT. Without objection, the Senator from Minnesota may proceed.

Mr. HUMPHREY. Mr. President, many of us in the Senate have for several years sought the enactment of compulsory poultry inspection legislation. We have asked congressional approval for a poultry program which would give Americans the same protection as meat inspection has provided during the last half century.

A nation as health- and public-relations conscious as ours needs a meaningful and truly consumer-protective system of compulsory poultry inspection. It would assure the housewife that she is getting a clean and wholesome product when she puts her money on the counter.

Compulsory poultry inspection is vital for the protection of poultry consumers, poultry farmers, poultry processors, and poultry workers.

Three congressional hearings last year revealed some dangerous statistics. There are 26 diseases transmissible from poultry to humans.

Some of them are of only academic importance; some bring terrible illnesses and death. For example, three psittacosis epidemics, in Portland, Oreg.; Houston, Tex., and Virginia, hit 136 persons during 1956, killing 3 men. The United States Public Health Service blames poultry and poultry products for the unusually high average rate of one-third of the food poisoning cases reported each year.

I want to emphasize, Mr. President—and it cannot be emphasized too strongly—that most of the poultry processing industry is working hard to bring clean and wholesome poultry to the consumer. But there are many shady operators who are a thorn in the side of the industry—as they are a danger to consumers and poultry workers.

In an industry as highly competitive, and sometimes economically marginal, as the poultry industry, the shady operators put great pressure upon the reputable processors.

The lack of inspection also hurts the poultry farmer, who already suffers great economic distress. Although inspection will be carried out at the processing level, not at the farm, the poultry farmer will benefit from the consumer goodwill which inspection will bring. His market will expand, just as meat inspection helped to multiply the rancher's market many times over.

I am happy to see that there is now virtually unanimous acceptance of the

IN THE SENATE OF THE UNITED STATES

FEBRUARY 20 (legislative day, FEBRUARY 18), 1957

MR. ELLENDER (by request) introduced the following bill; which was read twice and referred to the Committee on Agriculture and Forestry

A BILL

To extend the Agricultural Trade Development and Assistance Act of 1954, and for other purposes.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

3 That the Agricultural Trade Development and Assistance
4 Act of 1954, as amended, is amended as follows:

5 (1) Sections 109 and 204 of such Act are amended by
6 striking out "1957" and substituting in lieu thereof "1958".

7 (2) Section 103 (b) of such Act is amended by striking
8 out "\$3,000,000,000" and inserting in lieu thereof
9 "\$4,000,000,000".

10 (3) Section 203 of such Act is amended by striking
11 out "\$500,000,000" and inserting in lieu thereof
12 "\$800,000,000".

13 (4) Section 304 of such Act is deleted.

A BILL

To extend the Agricultural Trade Development
and Assistance Act of 1954, and for other
purposes.

By Mr. ELLENDER

FEBRUARY 20 (legislative day, FEBRUARY 18), 1957
Read twice and referred to the Committee on
Agriculture and Forestry

85TH CONGRESS
1ST SESSION

H. R. 5534

IN THE HOUSE OF REPRESENTATIVES

MARCH 4, 1957

Mr. COOLEY introduced the following bill; which was referred to the Committee on Agriculture

A BILL

To extend the Agricultural Trade Development and Assistance Act of 1954, and for other purposes.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

3 That the Agricultural Trade Development and Assistance
4 Act of 1954, as amended, is amended as follows:

5 (1) Sections 109 and 204 of such Act are amended
6 by striking out "1957" and substituting in lieu thereof
7 "1958".

8 (2) Section 103 (b) of such Act is amended by strik-
9 ing out "\$3,000,000,000" and inserting in lieu thereof "\$4,-
10 000,000,000".

11 (3) Section 203 of such Act is amended by striking out

1 “\$500,000,000” and inserting in lieu thereof “\$800,000,-
2 000”.

3 (4) Section 304 of such Act is deleted.

80TH CONGRESS
1ST SESSION

H. R. 5534

A BILL

To extend the Agricultural Trade Development
and Assistance Act of 1954, and for other
purposes.

By Mr. COOLEY

MARCH 4, 1957

Referred to the Committee on Agriculture

Digest of CONGRESSIONAL PROCEEDINGS

OF INTEREST TO THE DEPARTMENT OF AGRICULTURE

Issued March 21, 1957

For actions of March 20, 1957

85th-1st, No. 48

OFFICE OF BUDGET AND FINANCE
(For Department Staff Only)

CONTENTS

Appropriations.....1,15	Flood control.....5	Plant pests.....24
Budget.....15	Food stamp plan.....14	Postal rates.....25
Buildings.....1	Forestry.....22	Reclamation.....6
Civil defense.....1	Government competition..17	Regulatory agencies.....9
Credit policies.....3	Housing.....16	Social security.....28
Depressed areas.....26	Imports.....22	Surplus commodities.....11
Electrification.....5,18	Lands.....23	Textiles.....20
Employment.....8	Loans, farm.....4	Tobacco.....19
Family farms.....10	housing.....16	Trade, foreign.....11
Farm program.....7,13	Personnel.....2,21,27	Wildlife.....12

HIGHLIGHTS: Senate committee ordered reported bill to extend Public Law 480. House passed independent offices appropriation bill. House committee reported bill to include personal property in determining eligibility for FHA loans.

HOUSE

1. APPROPRIATIONS. Passed with amendments H.R. 6070, the independent offices appropriation bill for 1958. pp. 3571-84
Among the amendments agreed to was an amendment by Rep. Davis, Ga., to strike out an item of \$19 million for the purchase of critical and strategic material pursuant to section 104 (b) of Public Law 480. p. 3577
Rejected an amendment by Rep. Edmondson to increase from \$2 million to \$6,700,000 the amount for studies and research for civil defense evacuation and shelters. pp. 3574-6
On a point of order by Rep. Gross, the provisions were stricken which limited 1958 GSA public buildings purchase contracts to \$9 million for annual payments for amortization of principal and interest, and requiring that such contracts have prior authorization of the appropriate legislative and appropriations committees. p. 3576
2. PERSONNEL. Reps. Taber and Gross commended Secretary Wilson's announced cut in Defense personnel. pp. 3571, 3572
3. CREDIT POLICIES. The Rules Committee reported with amendments H. Res. 85, to authorize the Banking and Currency Committee to conduct investigations in the field of national monetary and credit policies (H. Rept. 212). p. 3594

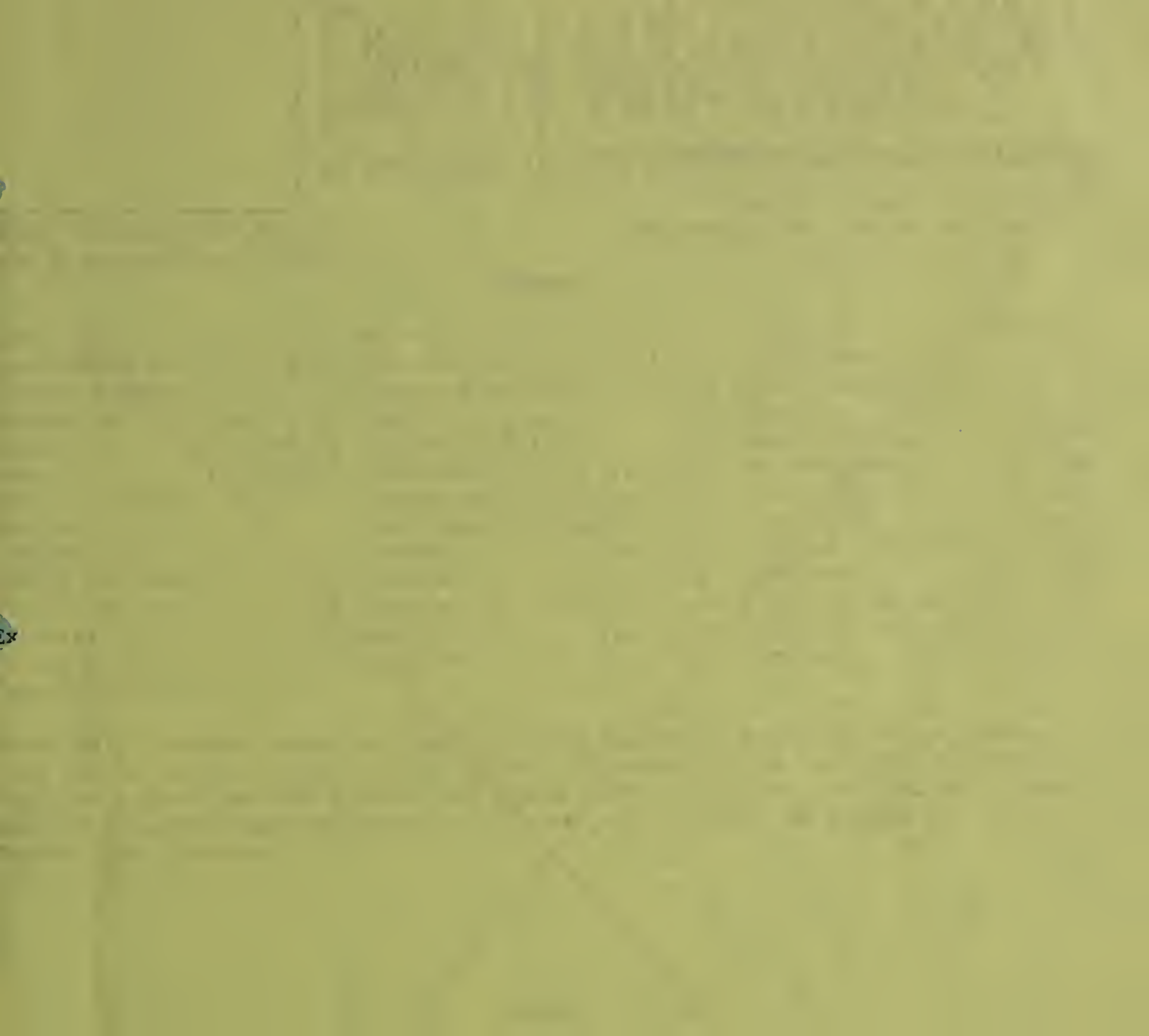
4. FARM LOANS. The Agriculture Committee reported without amendment H.R. 3988, to amend the Bankhead-Jones Farm Tenant Act so as to provide more flexibility in refinancing loans by permitting the inclusion of personal property in determining eligibility for refinancing loans. p. 3601
5. FLOOD CONTROL; ELECTRIFICATION. Received from the GAO a report on the audit of the activities of the Corps of Engineers civil function, and the Southwestern Power Admin., Interior Department, in the Ark., White, and Red River Basins, Tex., for the 1956 fiscal year. p. 3601
Rep. Ullman spoke of the recent flood damage in Idaho, and urged additional flood control measures for the area. pp. 3597-98
The Government Operations Committee adopted the following two reports submitted by the Public Works and Resources Subcommittee: (1) Availability of Power to Public Preference Customers From Central Valley Project, Roseville, Calif.; and (2) Private Electric Utilities Organized Effort to Influence Secretary of Interior (Ebasco Services, Inc., and Rocky Mountain Group). p. D221
6. RECLAMATION. Received from the Interior Department a report that an adequate soil survey and land classification has been made of lands in the Webster Unit, Mo. River Basin, and that the lands to be irrigated are susceptible to the production of agricultural crops. p. 3601
7. FARM PROGRAM. Rep. Lesinski spoke in favor of his bill (H.R. 6157) to establish an agricultural program which imposes limitations on agricultural products directly rather than indirectly through acreage controls. pp. 3594-95
8. EMPLOYMENT. Rep. Henderson spoke in favor of legislation to provide better employment opportunities for older persons. pp. 3595-97
9. REGULATORY AGENCIES. Rep. Evins urged further investigations of Federal independent agencies and regulatory commissions, and inserted several reports and statements on the matter. pp. 3584-94
10. FAMILY-SIZED FARMS. Received a Minn. Legislature memorial urging Congress to adopt an agricultural policy to foster family-sized, owner operated farms. p. 3602

SENATE

11. FOREIGN TRADE; SURPLUS COMMODITIES. The Agriculture and Forestry Committee ordered reported without amendment S. 1314, to extend Public Law 480 until June 30, 1958, increase title I authorizations from \$3 to \$4 billion, increase the amount authorized for famine relief from \$500 to \$800 million, and permit the bartering of agricultural commodities with Soviet Bloc countries. p. D219

ITEMS IN APPENDIX

12. WILDLIFE. Extension of remarks of Rep. Reuss applauding the decision of the Interior Department to withdraw their request to put civil service positions in the Fish and Wildlife Service under Schedule C, which action he had criticized earlier. p. A2271
13. FARM PROGRAM. Rep. Mack inserted a poll of 794 weekly newspaper editors on 20 national issues taken by the American Press magazine, including the soil bank, price supports, and taxation of cooperatives. pp. A2245-6



Digest of CONGRESSIONAL PROCEEDINGS

OF INTEREST TO THE DEPARTMENT OF AGRICULTURE

OFFICE OF BUDGET AND FINANCE
(For Department Staff Only)

Issued March 27, 1957
For actions of March 26, 1957
85th-1st, No. 52

CONTENTS

ACP.....7	Flood control.....8	Personnel.....16,20,27
Appropriations.....2,18,36	Forestry.....13,26	Plant pests.....12
Atomic energy.....24	Humane slaughter.....6	Price supports.....10
Banking and currency....35	Imports.....26	Property.....14,32
Budget.....16,18	Inflation.....16	Public Works.....8,15
Corn.....5,15,23	Information.....29,34	Reclamation.....28
Cost of living.....16	Insect control.....12	River compact.....31
Cotton.....10	Legislative program....15	Statehood.....21
Cranberries.....30	Loans.....25	Surplus commodities....11
Credit policies.....3	farm.....1,16	Taxation.....33
Dairy industry.....22	Natural resources.....4	Trade, foreign.....11,35
Exhibits.....29	Marketing.....30	Veterans' benefits.....25
Farm prices.....9	Minerals.....4,32	Water.....4,8,17
Farm program.....19		

HIGHLIGHTS: Senate committee reported bills to limit price supports on extra-long staple cotton, extend Public Law 480, aid in plant pest control, exchange lands in Apache National Forest, and convey research station to U. of Mo. House debated Labor-HEW appropriation bill. House reported bill to extend FHA loans to desert-land entrymen.

HOUSE

1. FARM LOANS. The Agriculture Committee reported with amendment H.R. 3753, to authorize this Department to extend financial assistance to desert-land entrymen to the same extent as such assistance is available to homestead entrymen (H. Rept. 272). p. 3932
2. APPROPRIATIONS. Began debate on H.R. 6287, the Labor-HEW appropriation bill for 1958. pp. 3892-3921, 3924-25
3. CREDIT POLICIES. Rep. Patman spoke in favor of H. Res. 85, to authorize the Banking and Currency Committee to investigate national monetary and credit policies. This measure is to be debated today. pp. 3923, 3930-31, D246
4. NATURAL RESOURCES. Received a Nev. Legislature memorial requesting Interior to accelerate its activities in Nev. in making surveys and collecting information about mineral and water resources. p. 3934

5. CORN. Received a Nebr. Legislature memorial urging the President and Congress to resolve their differences without delay in connection with the corn program to be offered to farmers for 1957 inasmuch as planting season is now at hand and the farmer must know immediately in order to plan his operations accordingly. p. 3934
6. HUMANE SLAUGHTER. Received a local Penna. citizens petition urging the passage of legislation for the use of humane methods in the slaughter of meat animals. p. 3935
7. AGRICULTURAL CONSERVATION PROGRAM. As reported (see Digest 49), H.R. 1045 provides for Federal administration of ACP until such time as plans for State administration are submitted and approved. (Thus the bill would eliminate the necessity of periodic continuations of the authority for Federal administration of the program.)

SENATE

8. WATER RESOURCES; FLOOD CONTROL. Sen. Johnson noted the importance of harnessing rainfall in Texas and inserted an article on the importance of flood detention dams to the flow of underground water. pp. 3839-40
Sen. Mansfield urged passage of S. J. Res. 12, to provide for transfer of right of way for the Yellowtail Dam and reservoir, and inserted his testimony before the Senate Interior and Insular Affairs Committee in support of the bill. pp. 3851-2
Received a N. Mex. House resolution urging a flood control and irrigation dam on the Gallinas River. p. 3841
Sen. Douglas submitted an amendment to S. 497, the public works bill, providing that the President should determine the 25% projects least essential in the national interest and defer them (pp. 3850-1). Sen. Johnson urged consideration of S. 497 on Wed., Mar. 27 (pp. 3853-4). Sen. Byrd announced his opposition to the omnibus public works bill and urged more study on the matter. pp. 3868-9
9. FARM PRICES. Sen. Murray presented a Mont. Legislature resolution urging an investigation of the spread between the price paid for livestock on the hoof and that paid for retail beef by the consumer. p. 3841
10. COTTON. The Agriculture and Forestry Committee reported without amendment S. 812, to freeze the price supports for extra-long staple cotton at 75% of parity (S. Rept. 187). p. 3842
11. FOREIGN TRADE; SURPLUS COMMODITIES. The Agriculture and Forestry Committee reported without amendment S. 1314, to extend the Agricultural Trade Development and Assistance Act of 1954 for one additional year to increase the authorization from \$3 billion to \$4 billion, and to permit barter with certain communist dominated countries (S. Rept. 188). p. 3842
12. INSECT CONTROL. The Agriculture and Forestry Committee reported without amendment S. 1442, to aid in the control of additional plant pests (S. Rept. 189). p. 3842
13. FORESTS. The Agriculture and Forestry Committee reported with amendments S. 44, authorizing this Department to exchange certain lands in the Apache National Forest, N. Mex. (S. Rept. 190). p. 3842

Calendar No. 183

85TH CONGRESS
1ST SESSION**S. 1314**

[Report No. 188]

IN THE SENATE OF THE UNITED STATES

FEBRUARY 20 (legislative day, FEBRUARY 18), 1957

Mr. ELLENDER (by request) introduced the following bill; which was read twice
and referred to the Committee on Agriculture and Forestry

MARCH 26, 1957

Reported by Mr. ELLENDER, without amendment

A BILL

To extend the Agricultural Trade Development and Assistance
Act of 1954, and for other purposes.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*
3 That the Agricultural Trade Development and Assistance
4 Act of 1954, as amended, is amended as follows:

5 (1) Sections 109 and 204 of such Act are amended by
6 striking out "1957" and substituting in lieu thereof "1958".

7 (2) Section 103 (b) of such Act is amended by striking
8 out "\$3,000,000,000" and inserting in lieu thereof
9 "\$4,000,000,000".

1 (3) Section 203 of such Act is amended by striking
 2 out "\$500,000,000" and inserting in lieu thereof
 3 "\$800,000,000".

4 (4) Section 304 of such Act is deleted.

85TH CONGRESS
 1ST Session

Calendar No. 183

S. 1314

[Report No. 188]

A BILL

To extend the Agricultural Trade Development
 and Assistance Act of 1954, and for other
 purposes.

By Mr. ELLENDER

FEBRUARY 20 (legislative day, FEBRUARY 18), 1957
 Read twice and referred to the Committee on
 Agriculture and Forestry

MARCH 26, 1957

Reported without amendment

Digest of CONGRESSIONAL PROCEEDINGS

OF INTEREST TO THE DEPARTMENT OF AGRICULTURE

OFFICE OF BUDGET AND FINANCE
(For Department Staff Only)

Issued April 1, 1957
For actions of March 29, 1957
85th-1st, No. 55

CONTENTS

Adjournment.....7,26	Food distribution.....24	Public Law 480.....12,25
Appropriations.....1	Foreign aid.....3	Reclamation.....22,33
Assistant Secretary.....19	Forestry.....10,34	Research.....20,42
Auditorium.....23	Insect control.....9	stations.....10,21
Budget.....1,25,30	Lands.....6,10	Rural libraries.....1,29
Columbia River.....14	Legislative program.6,25	School lunch.....43
Conservation.....16	Livestock.....37	Small business.....41
Corn.....13	Management.....5	Stockpiling.....32
Cotton.....8	Natural resources.....4	Surplus commodities.....12
Depressed areas.....11	Organization.....5	Taxation.....35
Drought areas.....22	Personnel.....20	Textiles.....39
Education.....1,38	Plant pests.....9	Trade, foreign.....12
Electrification.....33	Postal rates.....18	Transportation.....35
Federal aid.....27	Poultry.....37,40	Water, rights.....15
Flood control.....17	Price supports.....8	research.....28
Flood insurance.....36	Property.....21,35	Wheat.....2,31

HIGHLIGHTS: (See page 6).

HOUSE

1. APPROPRIATIONS. Continued debate on H.R. 6287, the Labor-HEW appropriation bill for 1958 (pp. 4203-22). Rejected, 71 to 94, an amendment by Rep. Hiestand to reduce from \$5,000,000 to \$3,000,000 funds for grants to States for rural library services (pp. 4210-22). On a point of order language was stricken from the bill to permit unused allotments to States for vocational education to be reapportioned among other States (pp. 4209-10).

The Appropriations Committee reported without amendment H.R. 6500, the D. C. appropriation bill for 1958 (H. Rept. 288). p. 4203

Rep. Brownson discussed the results of a newspaper poll relative to where cuts should be made in the budget. pp. 4223-24

2. WHEAT. Rep. McGovern urged the President to sign H.R. 323, to continue increased allotments for durum wheat, "in spite of reports that the Department of Agriculture is opposed to the bill." pp. 4202-03
3. FOREIGN AID. Rep. Sadlak spoke in favor of economic aid to Poland without further delay. p. 4203

4. NATURAL RESOURCES. Received a Utah Legislature memorial urging the President and Congress to assert their constitutional authority in the conservation and development of land and water resources. p. 4229
5. ORGANIZATION; MANAGEMENT. Received an Ind. Kiwanis Club petition in support of congressional consideration of the report of the Second Hoover Commission. p. 4229
6. LEGISLATIVE PROGRAM. Rep. McCormack announced that the Consent Calendar will be called today and that the military land withdrawals bill will be considered later in the week. pp. 4222-23
7. ADJOURNED until Mon., Apr. 1. p. 4228

SENATE

8. COTTON. Passed without amendment, S. 812, to freeze price supports for extra-long staple cotton at 75% of parity. Sen. Ellender explained the purpose of the bill and inserted Secretary Benson's report of Mar. 15 in support of the bill. pp. 4251-2
9. INSECT CONTROL. Passed without amendment S. 1442, to amend the 1944 Organic Act to include new plant pests. Sen. Ellender inserted Dr. Clarkson's statement before the committee in support of the bill. pp. 4252-3
10. FORESTS. Passed as reported S. 44, to authorize the exchange of certain lands in the Apache National Forest, with payment to the Government for excess values. Sen. Ellender inserted Under Secretary Morse's report of Mar. 14 in support of the bill. pp. 4253-4
Sen. Morse questioned whether S. 1529, to authorize the transfer of an agricultural research station operated under lease from the Bureau of Reclamation, and engaged in the growth of forests on desert land, met the "Morse formula" of payment of 50% of the market value for property conveyed from the United States. p. 4295
11. AREA DEVELOPMENT. Sen. Revercomb spoke in favor of S. 1433, the area assistance bill to encourage new industries in areas of unemployment, and inserted a statement favoring such programs. pp. 4261-2
12. FOREIGN TRADE; SURPLUS COMMODITIES. Sen. Humphrey urged quick passage of S. 1314, to extend Public Law 480. He pointed to the value of the export market, especially to certain products, and the importance of the program in our foreign policy. Sen. Long urged appointment of an expediter to aid in execution of the program. Sen. Humphrey agreed and urged greater use of private traders under the program. He inserted correspondence between himself and the Department of State, and this Department, on the sale of surplus rice. Sen. Schoepfel pointed to "the shortcomings of the executive departments in the administration of the act concerning the refusal by our government to take valuable material in return for some of our surplus commodities." (pp. 4268-9). Sen. Humphrey agreed and inserted an article, by Chester Bowles, on the place of Poland, and two other articles on Poland's negotiations with the United States for agricultural products. He urged a sharing of our food abundance to strengthen the Polish movement toward freedom and independence, and inserted an editorial favoring prompt and adequate help for Poland. Sen. Long urged greater attention to obtaining an "honest exchange of currencies" in our sale of food abroad, and greater attention to possible abuses in the sale of goods in foreign countries. (p. 4272). pp. 4262-72

other country has given nearly so much. The British, for example, do not permit KLM to stop at London enroute to New York, nor do the French permit KLM to stop at Paris en route to New York. Those countries protect the vital and legitimate interests of their airlines. There is no reason at all why the United States should always be the country which is called upon constantly to give.

As to national interest, it is important to the United States and to the rest of the free world that American air carriers be strong. It is, of course, of concern to the taxpayers of the United States that they be free of subsidy.

The Nation is now talking economy. Congress is trying to reduce expenditures. But in this instance we have a program which will drive the American airlines back to subsidies. Subsidies will certainly come as a result of favors granted to foreign competitors.

Mr. POTTER. Mr. President, will the Senator yield?

Mr. BRIDGES. I certainly will.

Mr. POTTER. It happens to be my privilege to serve on the Committee on Interstate and Foreign Commerce. Day before yesterday the committee heard representatives from the State Department who appeared before our committee. It was the unanimous agreement of the committee that it was not in our national interest to establish such a precedent by allowing KLM to add to its present routes. As a matter of fact, KLM requested 3 additional extensions of routes, 1 to Los Angeles, 1 to Houston, and a direct-line flight from New York to South America.

There are other nations which are quietly waiting at the door. If this concession shall be granted to The Netherlands, certainly we shall have to make similar concessions to Belgium. Otherwise Belgium could say to the United States that she was being discriminated against because favored treatment was given to The Netherlands. There are also Australian, British, and Italian airlines. To grant concessions to them will mean that American-flag ships will be leaving the skies, so far as international travel is concerned, or otherwise there will be a completely Government-subsidized type of flying.

In our own national interest, as it may affect our foreign policy, I say it is much better to be resolute in the case of The Netherlands, rather than to have to say to the Italians, the British, and the others, "Although we have made a concession to the Netherlands, we are sorry we cannot do the same for you."

Mr. BRIDGES. I think the Senator from Michigan has made a very sound statement. In view of the fact that he serves on the Committee on Interstate and Foreign Commerce in a distinguished capacity, I know he is a thorough student of this and similar problems. I will ask him if it is not a fact that the United States has had experience comparable to this in the maritime field. I am fearful that in the air age, which is now developing rapidly—and I hope it will continue to develop—the United States may suffer in much the same way as has

been our experience with the maritime problem.

Mr. POTTER. The Senator from New Hampshire is absolutely correct. The only way in which the United States can have American-flag ships on the high seas today is through the subsidy program of sustaining the ships. This is not a matter of free competition. Most of the maritime nations, and likewise the nations which support international airlines are not supplying those services through private industry or private investment. The private investment in KLM is less than 20 percent; the rest of the support is by Government subsidy. So the American-international airlines are competing with a foreign government-owned airline system.

The United States is making concessions in favor of foreign airlines over and above its concessions to American-owned airlines which are supported by private investment.

The Senator is absolutely correct when he says that the same thing will happen to our international airlines as has happened to our merchant marine unless we take a resolute step at this time and make certain that our airlines are able to compete with the foreign airlines.

Mr. BRIDGES. I thank the distinguished Senator from Michigan. I agree with him completely.

The grant of routes to the Dutch, which would result in great pressure from the Belgians, the French, the Italians, and many others for additional route extensions, can only result in the development of highly uneconomic air-transport services to the United States and the return of the United States air carriers to a subsidy status. In addition to the fact that this would be unfair to stockholders of our free enterprise air carriers, it would impose another burden upon the American taxpayer.

The development of a sound international air transportation system involving the operation of both the United States and foreign air carriers to and from the United States is a problem which requires the greatest care in the exercise of route grants in order to insure that by sensible, regulated competition the United States air carriers may be able to operate subsidy-free and profitably, and that a sound economic system is permanently maintained.

I again want to emphasize that there is now developing throughout the country a great demand for economy in Government. I favor economy and I take every opportunity to urge the adoption of economic practices in Government. Insofar as commercial air operations are concerned, we have made progress, as the years have gone by, in the gradual removal of the airlines from dependence upon subsidies. It should be remembered that whenever subsidies are paid by the Government, the money comes out of the pockets of the taxpayers, and in my opinion, the taxpayers are supplying enough today. Therefore, the position I advocate is not only fair to our own carriers, but also is economical from the point of view of the Nation as a whole.

In the United States, routes are granted internationally to United States car-

riers only after the most careful consideration of the pattern of international air operations. For example, two carriers applied in the spring of 1955 for routes from the west coast of the United States to Europe. Extensive hearings were held before an examiner of the Board. Briefs were submitted to the examiner and to the Board. The Board itself heard oral argument. The decision in the case has not yet been announced. Despite the care exercised here, the Department of State proposes giving a route between either Houston or Los Angeles to Europe, and probably other concessions to the Dutch, in disregard of the economics of the situation and the serious effect which such grants would have upon United States interests.

These intentions on the part of the Department of State are in complete contravention of every expression of air transport policy ever issued by the executive departments of the Government. Similarly they are contrary to every expression of policy set forth in the Senate Committee report on "International Air Agreements." The action taken behind the scenes in the Department of State can only be viewed as an action in defiance of the policy endorsed by the Senate Committee.

This precedent would be certain to open the floodgates to an endless stream of giveaways which could only be destructive of the strength of the United States international air transportation and lead to a swift decline which would parallel what the Senate committee termed in its report on international air agreements, "the deplorable downward path of the United States flag maritime industry." It is difficult to believe that such a policy, with such an inevitable result, can be the product of well-informed responsible officers. Certainly any intended change of United States policy in this direction should be the subject of extensive review by the Congress as well as the executive departments of the Government.

I hope the State Department will stop, look, and listen.

THE AREA ASSISTANCE ACT OF 1957

Mr. REVERCOMB. Mr. President, will the Senator from New Hampshire yield to me?

Mr. BRIDGES. I yield to the Senator from West Virginia.

Mr. REVERCOMB. Mr. President, I sincerely thank the Senator from New Hampshire for permitting me to make a few remarks at this time and to make an insertion in the RECORD.

At the present time there is pending a bill known as the Area Assistance Act of 1957, designated as Senate bill 1433. The purpose of the bill is to provide by law relief for the areas of the country in which there are more persons who seek employment than there are opportunities for employment. My own State contains several areas of that sort. Other States are in the same situation.

The whole purpose of the bill is to give encouragement to new industry so as to afford in the various areas where men and women are seeking permanent work

tarian programs have been conducted by many of our church groups and other voluntary agencies to build goodwill and alleviate suffering in the world.

The bill before us would increase the title II authorization by \$300 million, in effect restoring the authorization to the present \$500 million.

I wish to note, Mr. President, that our voluntary agencies and our church groups have accomplished excellent results under title III of the law. It has been one of the most effective programs of cooperation between the Government and the voluntary agencies America has ever known, and I pay tribute to the voluntary agencies and to our fine religious organizations that have done such a remarkable job in utilizing this food for humanitarian purposes.

Title III of the law provides a mandate to the Secretary of Agriculture to seek to protect the assets of Commodity Credit Corporation by bartering surplus food and fiber for strategic materials with less risk of deterioration and less cost of storage.

I would note, Mr. President, that title III does place a responsibility upon the Secretary of Agriculture to exchange commodities held by the Commodity Credit Corporation for strategic and critical commodities or materials which are probably less subject to deterioration than are agricultural products.

It is my purpose, later in this session, to discuss at some length each of these titles, and what has transpired under them, as well as what opportunities are offered us under these programs.

The public has never been given a full understanding of the vital importance of this legislation and its role in our foreign policy. It is far more than just a surplus disposal program. It is a comprehensive foreign economic policy.

I add it is possibly the one considered, well designed foreign economic policy that we have. It is a humanitarian policy. It speaks the soul and the heart of the American people. It is a solid basis for an improved farm policy.

For the present, however, I want to discuss title I of the law, under which the major parts of the program have been conducted to date. Later, I shall discuss the contribution made by our voluntary agencies to our foreign policy under this law, and also discuss the opportunities that are being unfortunately ignored, or at least neglected, under the barter provisions of title III.

Let us examine how title I of Public Law 480 operates. Commodity agreements are entered into with governments of importing countries. These agreements provide for the payment of commodities imported from the United States in local currency. Such local currency must be expended as specified in the act. After such government-to-government agreements are made, the importing country applies to the Foreign Agricultural Service of the United States Department of Agriculture for purchase authorizations, which provide for dollar financing of the commodity sales and specify the conditions under which such financing will be made available. At this point, private United States export-

ers sell to importers authorized by the importing country. There is always a public announcement made when the agreements are signed and purchase authorizations are issued. This is done so that all segments of the private trade can be familiar with the entire operation.

In view of the fact that United States Government funds are used to finance title I sales, certain controls are established, such as the banks involved, normal commercial letters of credit, exchange rates, and so on. Under this procedure, the United States exporter can be sure that the transaction, if otherwise in compliance with the program, will be financed by insisting that his contract be covered by an irrevocable letter of credit. In every way possible the sale is made as closely as possible in line with normal United States commercial practice.

In order to be sure that we are developing new sales through sales of local currencies, the legislation sets rigid standards, including the requirement that the President shall take:

One, reasonable precautions to safeguard against displacement of usual marketings of the United States or friendly nations, and to assure insofar as practicable that sales will not disrupt world prices, and

Two, take appropriate steps to assure that private trade channels are used both with respect to sales from privately owned stocks and from stocks owned by the CCC, as far as practicable.

Thus far agreements have been signed with 30 countries for the sale of commodities valued at \$2.8 billion. Through sales of foreign currencies under title I, we are moving surpluses to countries which are short of dollars. The prices are not lower than those for export dollar sales.

As of the end of 1956, the following surplus commodities and quantities had been programed since the beginning of the program:

	Million
Wheat and flour.....bushels..	432.0
Feed grains.....do.....	66.0
Rice.....hundredweight	19.0
Cotton.....bales..	2.6
Tobacco.....pounds..	143.0
Dairy products.....do.....	130.0
Fats and oils.....do.....	1,598.0
Poultry.....do.....	3.0
Fruits and vegetables.....do.....	81.0
Meat.....do.....	149.0

CURRENCY USES

Through the end of 1956 the following were the planned uses of foreign currencies to be generated from sales under title I, Public Law 480:

PLANNED USES OF FOREIGN CURRENCY GENERATED UNDER TITLE I, PUBLIC LAW 480 (Through Dec. 31, 1956)

	Percent
Loans for multilateral trade and economic development.....	56.8
Payment of United States obligations..	24.8
Military procurement.....	11.5
Others ¹	5.3
Market development.....	1.6

¹ This includes: (a) Purchases of strategic materials (0.4 percent), (b) purchases of goods for other countries (1.2 percent), (c) grants for economic development (3.2 percent), (d) international educational ex-

change (0.8 percent), (e) translation and publication (0.1 percent), (f) information and education (0.2 percent).

Let us examine some of these uses in detail in order to visualize the wide scope of the constructive utilization of these funds.

AGRICULTURAL MARKET DEVELOPMENT

Market development projects are being carried out in close cooperation between United States and foreign-trade groups so as to provide benefits to both. Generally, the United States provides part of the foreign currencies required for the project and gives general supervision to the activities. United States private trade groups carry out the project and provide for the necessary dollar costs. The cooperating foreign-trade group meets part of the local costs. Thus we develop new opportunities for working together on the problems of expanding old and developing new commercial markets for United States agricultural products. I submit that this program has worked to the benefit of the American agricultural producer, processor, and exporter.

Some of the United States farm commodities being promoted abroad under these projects are cotton, wheat, flour, beef cattle, dairy cattle, soybeans, tobacco, fruit tallow, dairy products, poultry, and eggs.

An example of the types of projects is as follows:

In order to provide a basis for admitting more United States processed agricultural products into Germany, a team of German food-inspection experts were brought to the United States. It was believed that by acquainting them with accepted American pure-food standards and methods of food preservation that some of the barriers to acceptance would be eliminated. That project worked to our advantage, and it was successful.

Another type of market development is through participation in international trade and food fairs. During 1956, United States agricultural exhibits under Public Law 480 were visited by 7½ million people in many countries including the United Kingdom, Austria, Greece, Yugoslavia, Thailand, and Colombia. Thus large numbers of people were acquainted with the quality and availability of United States agricultural products. For the first time many prospective customers are seeing, tasting and feeling our products. Out of this will come new customers.

DEFENSE NEEDS

Through the end of 1956, \$221 million of local currency proceeds of sales were earmarked to procure military equipment, materials, facilities, and services for the common defense. These quantities cover agreements signed with countries in many areas of the world, including Brazil, Iran, Korea, Pakistan, Yugoslavia, and the Republic of China (Taiwan).

For example, in Pakistan the funds will meet military construction and troop support costs. In Korea the military position of the Republic of Korea is being bolstered. In countries such as Turkey and Spain, the foreign currency

is being used in meeting the costs of military base construction.

MILITARY FAMILY HOUSING

The Congress has authorized the Department of Defense to use \$100 million worth of foreign currencies developed out of title I sales for United States military family housing in foreign countries. The Department of Defense will reimburse CCC from appropriations available for the payment of quarters allowances. Thus CCC receives dollars back from the Department of Defense on a deferred basis. Thus far about \$98 million of military family housing has been allocated for Austria, Japan, Italy, Spain, and the United Kingdom. For example, in Japan the United States Army plans to construct 1,700 units for the 3 United States services in Japan. In Italy, Italian lire are being allocated for the construction of 616 units. Thus, American military personnel are better housed during their stint abroad by reason of a program for the sale of American agricultural products.

PAYMENTS OF UNITED STATES OBLIGATIONS

The Treasury Department sells the foreign currencies to Government agencies for appropriated dollars at the same rate of exchange at which they would otherwise obtain the currencies. Very heavy purchases are made by such agencies as the United States Information Agency and the Department of State, which need funds to meet administrative and operating expenses.

EDUCATIONAL USES

Foreign currencies generated from the sale of agricultural commodities are being used to help promote mutual understanding between people of the United States and those of other countries. Most of the title I agreements have provided for the use of some of the local currency proceeds to finance international educational exchange programs. Under this program, provision is made to pay for student-exchange programs. This can only result in good will and expansion of knowledge of the United States in foreign countries.

Mr. President, I suggest that those who administer Public Law 480 and those who cooperate with it in the State Department and in the United States Information Agency could do more in developing the educational use of those currencies. There are literally thousands of American teachers who would profit by taking a 3 month or 2 month refresher course in education in some European or Asian university, where these currencies are in abundance. I have in mind such countries as India, Indonesia, Thailand, the Philippines, Greece, Turkey, Spain, and others.

I see no reason why the Government should not expand its educational exchange program so that those currencies could be utilized in the further education and development of the teaching staffs of our great teaching force and our whole educational structure.

About \$5 million has been set aside thus far to help American-sponsored schools abroad and organizations which promote public relations between the United States and other countries.

I was discussing that subject today with Dr. Malcolm Willey, of the University of Minnesota. He is the administrative vice president of the University of Minnesota. I discussed with him his trip during the past year to several countries of Asia and Africa and in particular the Middle East.

I was rather pleasantly surprised to hear of the tremendous upsurge in education in every one of the countries, and of the fine new buildings which are being constructed for universities in Burma, India, Indonesia, Thailand, the Philippines, and in other areas of the world.

I was informed, for example, that in the University of Seoul, in Korea, more than 20,000 students were presently enrolled. I was informed that more than 80,000 students who are graduating from high school were taking college entrance examinations last year for fewer than 20,000 vacancies in all the universities of Korea. The young people of those countries are eager to go to school. I was also informed that wherever this distinguished educator visited, he was greeted at the airport by many graduates from our great University of Minnesota. They were literally ambassadors of goodwill.

Mr. President, every dollar we spend on education abroad or at home will yield dividends for peace and understanding and, as Wendell Willkie put it, will create a reservoir of goodwill for America.

It always surprises me to note the lack of imagination on the part of those who administer these programs. There is so much that could be done. Instead of complaining about our surpluses, until every American from one end of the country to the other feels that one of our great problems today is the agricultural surplus production—instead of complaining about this blessing—and I repeat it is a blessing—why we do not convert this abundance of wheat and cotton and corn into education and into schools and into programs of international understanding?

I can well imagine what the Soviet Union would be doing if it had one-half of the food supply we have. I can well imagine what those 2 traveling Fuller Brush salesmen of the Kremlin, Bulganin and Khrushchev, would be doing if they could go to one country after another with 500 million bushels of wheat in excess supply. They would be parading before the world as great humanitarians and great benefactors. They would not be complaining that they had too much. I can imagine how long a Secretary of Agriculture would last in the Soviet Union if he complained that his major problem was that farmers worked too hard and produced too much.

It is amazing to me that a country which is blessed with untold resources, such as ours is, finds that its major problem on the economic front is abundance. I repeat what I have said so many times on the floor of the Senate, perhaps 101 times, that a government which does not know how to deal with abundance will never know how to deal with the great problems of the world. If we cannot find out what to do with excess cotton and

wheat, how will we ever find out how to handle the shifty characters in the Kremlin?

Here is a program that provides the means for the proper and constructive and sensible utilization of our food and fiber supply. If there ever was one area where we could use it, it is in building international understanding.

Last year the President of the United States announced a program which, at least according to the newspaper columns, was to be a program for building vocational schools abroad.

My colleagues will recall that the President was in Texas making a speech, and that while there he announced a program of building trade schools and vocational schools abroad in lands where the people were trying to help themselves in building up their countries.

That announcement made good newspaper headlines. However, not one thing has been done since then to carry out the program.

I say on the floor of the Senate today that we can convert wheat into bricks and corn into steel and mortar, and we can take soybeans and cotton and rice and change them into education. We can do that if we have any imagination and any will.

Apparently an article in Reader's Digest condemning the abundance of our agriculture seems to be more pleasing than the realization of trade schools and vocational schools in foreign countries, paid for out of the soil.

Apparently we think it is more important to put our gold in a hole in the ground at Fort Knox and store our agricultural commodities in bins above ground all the way from Kentucky to Seattle and to Tallahassee.

Mr. LONG. Mr. President, will the Senator yield?

Mr. HUMPHREY. I yield to the Senator from Louisiana.

Mr. LONG. It seems to me this country would do well to appoint some individual as an expeditor under the Public Law 480 program. I visited Portugal last year. I discovered the United States did not have an agricultural attaché there, but the representatives of the State Department were endeavoring to handle the responsibilities under Public Law 480 as best they could. They did have an opportunity to sell quite a bit of cotton to Portugal, but there was so much redtape involved and so much demand for additional information that finally they were about ready to throw up their hands—as were the Portuguese—and give up. If someone were appointed who could look after the program, to see where a deal could be made for the benefit of the United States, and to see that the deal went through, rather than to allow the whole thing to be tied up because of redtape, we could sell many more commodities.

Mr. HUMPHREY. The Senator is correct. And I add to what he has said that if we would turn over the job of the export of commodities to private traders, rather than to have it handled by the Government, thereby permitting the private traders to make arrangements within what could be estab-

lished as standards of performance, or criteria for arrangements under the law, we would save ourselves a good deal of money and personnel. In addition, we would get a better deal, because the private exporters really know how to trade. Besides that, the private exporters would have an opportunity to make a living themselves, and make a profit.

I have said on this floor again and again that I do not want the activities of the Department of Agriculture to supplant—I repeat, to supplant—the normal private trade operations. The duty of the Department of Agriculture is to supplement—to aid and assist private trade operations from the private producer to the private processor to the private exporter.

We do not desire to have a program which drives American business out of business. We should have a program to keep American business in business, so that it can compete.

I am happy to observe that our grain trade—and I refer especially to wheat—is now following this procedure. I have some reason to believe that an address I made in the Senate about a year ago helped initiate the program. The Department was worried, lest it be criticized for permitting the private trade to make export arrangements.

I wish to say I think the same thing should be done in the interest of the cotton trade. We should permit our cotton exchanges to sell the surplus cotton. They would do a better job than almost anyone we could find.

Reverting now to the discussion of the matter of education, about \$5 million has been set aside in agreements thus far to help American-sponsored schools abroad and bilateral organizations which promote better relationships between the United States and other countries. Funds will be used to help these schools purchase land, buildings, and equipment to provide more classrooms, laboratories, and dormitories. Also, scholarships will be offered, teacher salaries will be added to and efforts made to improve the curriculum. For example, funds from this source will be used to support such educational facilities as the Institute of American Studies in Rome, an excellent institution of education.

I repeat, American sponsored schools abroad or schools in other lands assisted through the sale of surplus commodities under Public Law 480, will pay genuine, long-term dividends in every possible relationship; the economic relationships, the political relationships, and the social relationships between countries that are aided and the United States of America.

Let me next discuss a most important aspect of Public Law 480, the loans for multilateral trade and economic development.

By far the largest portion of the local currencies are being utilized in the form of loans by the United States to promote economic development and international trade. Over \$1 billion is involved in this tremendous undertaking. It is essential that these loan funds be used productively by the foreign governments in cooperation with the United States. In the development of these plans spe-

cial emphasis is being placed upon coordination of the use of these currencies with the overall economic development of the country.

Loan funds may be used to augment governmental expenditures for roads, port and storage facilities, and other public improvements. As these plans are gradually developed, they will make an important constructive contribution to the economic growth of friendly countries.

For example, Peruvian sales will be used in the development of an irrigation project and for the construction of farm-to-market roads. In Brazil, cruzeiros will be used to improve rail and river transport facilities, construction of storage space, expansion of electric power and for other industrial purposes. The Japanese have agreed to use the yen for electric power development, reclamation of industrial land sites and of agricultural land, forestry, food processing, irrigation, and drainage projects.

However, as a general policy, we believe it unwise to use these funds directly for projects which may result in increased production of agricultural commodities already in surplus.

After 2½ years of experience with this legislation, I am really proud to have associated myself with the sponsors of this measure.

I may add that I have myself introduced similar proposed legislation, which was a part of the general hearings and study of the Committee on Agriculture and Forestry.

It has indeed enabled us to open new doors for America's surplus agricultural commodities. It has resulted in improved levels of income for many farmers.

I say, Mr. President, if this program is pursued with imaginative leadership it can do much not only to strengthen our foreign policy but to relieve us from domestic agricultural problems which seem to plague us.

Millions of man-hours of work have been added for American labor. Shipping has prospered.

United States agricultural exports have been recovering. When figured at constant prices—1952–54 average—to eliminate trends due to changes in the value of the dollar, agricultural exports are at about the same level as in the boom years of the late twenties and in the post-World War II years, when much of the exports were financed by foreign aid.

Our exports in 1956, practically equalled those of the peak years of 1927 and 1952. It should be noted that the 1952 peak was due to scare buying during the Korean war. Another significant feature of our export trade—and I speak of our private export trade—in 1956, was that, exclusive of cotton, exports were far ahead of previous periods.

The part that Public Law 480 played in the expansion of exports can be seen from the fact that agricultural commodities under United States export programs accounted for about 25 percent of exports in 1954, rose to 30 percent in 1955, and 41 percent in 1956. Sales outside of the programs have remained fairly steady. The largest increase in program

activity has been in sales for foreign currencies. Thus we have developed export programs based on the ability of foreign countries to pay for their purchases, although these payments have to be made in part in their own currency.

Present Government export programs are designed essentially to assure that neither lack of financing nor higher domestic price levels shall hinder exports. The effects of all these approaches are seen in the increased exports. It reveals what human ingenuity and persistent effort can accomplish.

The Congress set forth its intention in the law that it should operate to expand world trade on a sound basis and not be a disrupting force. The experience gained in the operation of it revealed that this act is being administered so that the United States is not engaging in unfair competition or disturbing world markets. As a member of the great family of nations, we are reflecting our responsibilities and following our own broad interests. Our food stocks are being used for constructive purposes and through good administration we are mobilizing the total resources of the Government and private trade in this direction.

United States agriculture, as well as other segments of the economy, is gaining from this expanding world trade. Certainly, it is in the long run interest of the American farmer as well as all other Americans for this country to work with other countries in a combined effort for expanding international trade.

Mr. President, I did not comment today on title III of this particular act. I did not, in the main, because at a later date I wish to discuss the full implications of title III and what I consider to be the failure properly to administer it. Actually, title III makes possible the exchange of American foodstuffs for strategic materials; metals, for example.

Since Public Law 480 was enacted, the value of strategic imports for stockpiling under the proper procurement has risen from \$61,500,000 in fiscal 1955 to the rate of nearly \$189 million in the first half of fiscal 1957. This is but scratching the surface.

I have gathered together information which indicates that our Government has rejected opportunities to exchange perishable food supplies for commodities as valuable as platinum. I repeat: As valuable as platinum. The chance to exchange cereal grains for platinum was offered to us, and we did not take the deal? Why? Because the Department of Agriculture was living by or exercising its authority under the general terminology of the Office of Defense Mobilization list of critical and strategic materials. Because the Department was being governed by that kind of man-made list of another administrator, this Nation has missed many opportunities for barter.

The whole subject of how we could use our agricultural commodities in international trade, on the basis of a proper exchange of wheat for manganese, of wheat for nickel, or feed grains for platinum, is a subject which I intend

to discuss throughout the year in great detail.

I wish to announce that I, as chairman of a subcommittee of the Committee on Agriculture and Forestry, intend to hold hearings upon the entire subject of Public Law 480. I intend to call upon exporters and upon volunteer agencies, upon educators and upon interested citizens, to come before the committee and state their experiences under the program. Most of the experiences will be good. In the main, the program has been well administered. But I think we have just begun to realize what could be done if we used a little more imagination and applied a little more leadership to the direction of the program.

Mr. President, I ask unanimous consent to have printed at this point in the RECORD an exchange of correspondence between myself and the Department of State, and between myself and the Department of Agriculture relating to charges, or, at least, complaints, which I received from the Ambassador from Thailand while I was a delegate to the United Nations.

There being no objection, the correspondence was ordered to be printed in the RECORD, as follows:

JANUARY 17, 1957.

The Honorable JOHN FOSTER DULLES,

Secretary of State, Washington:

DEAR MR. SECRETARY: On January 11, while I was at the United Nations presenting the United States position on the establishment of a World Food Reserve, the Ambassador from Thailand to the United Nations, Mr. Khoman, presented to me his view of the impact which our Public Law 480 program is having on normal Thai exports of rice. Ambassador Khoman was very outspoken in presenting his case. He said that Thailand was losing its rice markets. He argued that Thailand could not afford to wait until improving economic conditions among neighboring countries created new markets by raising levels of consumption. Furthermore, he felt that countries in the area were so poor they could not afford an expansion in their total rice consumption. Therefore, any additions to their supplies meant a displacement of previous market arrangements.

With great feeling, Ambassador Khoman stressed that Thailand does not want to be supported by United States aid, on the one hand, and prevented from earning its way by being driven out of its markets, on the other hand. Since I was not conversant in detail with our policy on rice disposals and with figures concerning Thailand's sales during recent years, I could give very little specific response to Ambassador Khoman. I told Ambassador Khoman that I hoped to have him come to Washington in the near future and discuss with myself and a small group of interested Congressmen and Senators the problems Thailand is facing selling its rice.

In preparation for these talks, I should like to have any information you would consider relevant on our relations with Thailand; for example, what efforts do we make to consult with Thailand in order to avoid displacing Thai rice markets?

Considering that the Thais are one of our best allies in Asia, we must make every effort to avoid the dire future for Thailand which Ambassador Khoman predicts if our present programs continue.

Respectfully,

HUBERT H. HUMPHREY.

DEPARTMENT OF STATE,
Washington, January 30, 1957.

The Honorable HUBERT H. HUMPHREY,
United States Senate.

DEAR SENATOR HUMPHREY: I refer to your letter of January 17, 1957, regarding your recent conversation with Ambassador Khoman of Thailand at the United Nations when he expressed his grave concern about the effect on Thailand's economy of United States surplus rice sales in normal Thai markets. The Department agrees wholeheartedly with your comment that the United States must avoid measures which might seriously injure the economy of our SEATO ally, Thailand. As you are aware, the problem of United States surplus commodities is one of the most difficult the United States faces today because of the effects upon both foreign and domestic producers.

When the sale of United States surplus rice in Asia was first considered, the Department was concerned about the effects of such sales, not only upon the economies of the Asian rice-exporting countries but also upon United States relations with those countries. As a direct result of this concern, certain provisions were recommended by the Department and were adopted by the Council on Foreign Economic Policy (Dodge Council) in April 1955 when the present United States policy covering sales of surplus United States rice in Asia was established. In brief this policy is as follows: The United States will sell rice to Asian countries at competitive prices but will not make sales to an extent or at prices which would result in material injury to friendly countries by interfering with their normal exports, preventing them from obtaining an equitable share of an expanded total market, or progressively driving down prices. Moreover, it was decided that prior to the implementation of concessional sales, the United States would consult with the representatives of the Governments of Thailand, Burma, and Vietnam.

After the adoption of this policy, a United States mission visited the Asian rice-exporting countries in May and June 1955 to discuss the rice surplus problem and to inform these countries of the United States desire to dispose of up to 230,000 metric tons of United States surplus rice during that current United States rice marketing year. After this original rice surplus had been disposed of, additional rice sales under title I of Public Law 480 were made in Asia. The complete record of surplus rice sales under title I, Public Law 480 is as follows: Japan, 101,000; Indonesia, 250,000; Pakistan, 280,000; India, 200,000; Korea, 75,000.

With the exception of the first surplus rice sale in Asia—to Japan in 1954—the Governments of Thailand and Burma were consulted prior to the implementation of each sale. Neither country opposed the specific sales about which they were consulted. When appropriate, the United States has also insisted upon the inclusion of a "usual marketings" clause in the Public Law 480 rice sales agreements to insure that the recipient country would take its normal rice imports from its usual suppliers. By so doing, we hoped not only to prevent any breach in our good relations with the Thai and the Burmese, but also that no ill-will would arise between these two countries and the Asian rice-recipient country. Because of these precautions, we believe we have been fairly successful in disposing of Public Law 480 rice in Asia with a minimum of friction. Furthermore, Thailand has been able to market its own rice surplus stocks during the past year. Burma has reduced its surplus rice to satisfactory levels, but unfortunately felt

impelled to enter into barter agreements with the Communist bloc to accomplish this.

Notwithstanding the favorable aspects of our rice disposal program, and the fact that Thailand and Burma have disposed of their own rice crops, certain Thai and Burmese officials have consistently shown concern about the effect on their markets of the United States rice programs in Asia. They point out the great importance of large rice production and exports for their economies and contrast the comparatively minor importance of rice production and exports for the United States economy. The Thai and Burmese also regard the United States export of rice as an unfair trade practice, because the United States can grant concessional terms which they cannot meet; i. e., the United States accepts payment in local currencies and then extends long-term developmental loans. The Asian rice producers and exporters contend that United States rice sales are made possible by indirect subsidization, because although sales are made at world prices, this price is below the United States support price for rice.

Ambassador Khoman's firm presentation of his views undoubtedly reflects the fears of Asian rice-exporting countries that the United States disposal of rice under Public Law 480 may not be, as we have said, a temporary program but will become a permanent program. Thai and Burmese officials cannot have overlooked the fact that although the Commodity Credit Corporation was originally authorized to finance title I, Public Law 480 sales totaling \$700 million, the limit was raised to \$1.5 billion the next year and then recently to \$3 billion. These countries realize that it would be impossible for them to adopt such measures to further their own export programs. The Thai and Burmese also believe that because prospective Asian rice purchasers know that the United States also has rice to offer under concessional Public Law 480 terms, their bargaining position is considerably weakened.

The Department's latest information from Embassy, Bangkok indicates that the Thai Government is optimistic about prospects for exports of its 1957 rice crop, which is now being harvested; Luang Thawil, Under Secretary of the Ministry of Economic Affairs informed Embassy, Bangkok, in December that as a result of information obtained in FAO meetings in Rome and on his tour of Europe, as well as during his trip to Japan, he was very optimistic regarding the rice export outlook. Current reports indicate that Thailand has achieved its 1956 rice-export goal of 1,200,000 metric tons.

It is quite possible that at the time of his conversation with you, Ambassador Khoman was not aware of the current outlook for Thai rice exports, nor apparently cognizant of the United States policy to consult with the Thai Government before disposing of United States surplus rice in Asia. Because of this possibility, the Department informally gave the financial counselor of the Thai Embassy the gist of Ambassador Khoman's discussion with you. The financial counselor said that the Embassy would see that Ambassador Khoman received the latest information on the current Thai rice position. He would also be informed of the fact that the United States had consulted with Thailand prior to implementing Public Law 480 rice sales. The financial counselor expressed the opinion that Ambassador Khoman was discussing a condition that may have existed in 1954-55, but which no longer prevails.

If you continue your discussions with Ambassador Khoman in Washington, you may find the enclosed pamphlet useful. It contains statements on our Asian rice-disposal

policy and statements on United States surplus commodity programs. These statements were made by Mr. Howard P. Jones, Deputy Assistant Secretary for Far Eastern Economic Affairs and Mr. Walter M. Kotschnig, Director, Office of International Economic and Social Affairs when they were the United States representatives at the ECAFE meeting at Bangalore, India, in February 1956. This pamphlet also points out how the recipient countries of the Far East (including Burma and Thailand) have benefited from our Public Law 480 programs.

Sincerely yours,

ROBERT C. HILL,
Assistant Secretary
(For the Secretary of State).

DEPARTMENT OF AGRICULTURE,
Washington, D. C., February 5, 1957.
HON. HUBERT H. HUMPHREY,
United States Senate.

DEAR SENATOR HUMPHREY: This will acknowledge your letter of January 17 requesting information on exports of rice by Thailand over the past few years and a comparison by areas of destination of United States rice sold for foreign currencies under title I of Public Law 480.

The Foreign Agricultural Service of the Department has prepared the enclosed tabulation of exports, together with some appropriate information on other points raised in your letter.

While Ambassador Khoman quite naturally is vitally interested in extending in every way possible the sale of Thai rice because of the great importance of the export of rice to the overall economy of the country, it does not appear that he is quite correct in his statements that the United States has driven his country out of their traditional rice markets. Our relationships with the Thais have been most cordial on all matters relating to rice extending back for a decade.

As an integral part of the development of programs which have included rice, we have followed our customary practice of consultations, and in the case of Thailand, these have been very satisfactory to us and, we have reason to believe, to the Thais. The Thai government has indicated to us on many occasions that they are aware of the various steps the United States has taken to reduce rice production, to utilize surplus rice in every possible way, and to endeavor to dispose of rice through Public Law 480 in a manner which will not create undesirable instability in the world rice markets or unduly impinge on traditional market arrangements.

It is believed that the enclosed data will indicate that our rice sales for foreign currencies have not been to the disadvantage of Thailand. We shall be glad to supply anything further that you need upon request.

Sincerely yours,

EARL L. BUTZ,
Assistant Secretary.

[From Foreign Agricultural Service of
January 25, 1957]

THAILAND RICE EXPORTS, 1951-56

Thailand is the only Asian exporter of rice that, following World War, regained and in some years has exceeded average 1936-40 exports. In 1955 when other world exporters were carrying large stocks of surplus rice, Thai sales exhausted all export availability before the end of the year and practically no stocks were carried over in 1956.

Thai sales of rice in 1956 have equaled the target set by the Government at the beginning of the year and such stocks as have been carried over into 1957 have been considered normal working stocks. With the volume of sales in 1955 and again in 1956 maintained by the Thai Government, and

taking into account the carryout stock position at the end of each year, it is obvious that additional rice could not have been sold or exported by Thailand to offset the amounts of United States sales for foreign currencies (Public Law 480) to Japan in 1955 and to Indonesia and Pakistan in 1956.

The sales of rice from Thailand also have been for cash or on open account with their traditional markets. The Thais have not found it necessary to enter into barter arrangements or to trade their rice with Communist-controlled areas.

The only program entered into by the United States other than those for Indonesia, Pakistan, and Japan is for India. Rice under this program will be largely shipped in 1957. The India program, however, cannot be considered as one which involves interference with a traditional market of Thailand. Thailand prewar was never a major supplier of India and in 1952 all existing trade in rice between the two countries came to an end and for the last 4 years, no rice has gone from Thailand to India and none is foreseen in the immediate future.

In the case of Pakistan, no rice has moved in the postwar period from Thailand to Pakistan except in 1956. So Pakistan must be considered a new (but temporary) market for Thailand and one in which it has participated largely as a result of Public Law 480 operations on the part of the United States.

The foregoing United States programs were the subject of consultations between the

Thais and the United States and in no case has Thailand failed to concur. Moreover, the Thais are fully aware that the prices under which United States rice has been sold to these areas have been consistently above prices prevalent in Asia for comparable rice, so that the existing world rice market was not precipitated into a period of declining prices. The marketing of United States rice under these programs to the extent that it has occurred within the Asian area has had a somewhat beneficial effect in creating stability in the world rice market. In our efforts to maintain and protect normal trade, and through consultations and frank discussions as to policy, a great deal of the uncertainties of what use was to be made of United States surplus rice has been removed. Moreover, much of the rice has been used in such a manner as to promote additional consumption of rice which otherwise might not have occurred and such encouragement to world consumption has been to the betterment of all major exporters of rice. World trade in rice in 1956 has been at the highest level of the past 10 years, but this is not occasioned entirely by the volume of rice sold for foreign currencies under Public Law 480. The amounts exported from all principal rice-exporting areas show an increase in volume of sales over 1955.

Recent conversations between our people and prominent Thai officials indicate that they are confident that their export sales for 1957 will be slightly higher than those of 1956.

Exports of milled rice from Thailand for the calendar years 1951 through 1956 with a comparison of United States exports to the same areas for foreign currencies under Public Law 480

(Thousands of 100-pound bags)

Destination	1951	1952	1953	1954	1955	1956
Japan.....	7,820	6,570	10,520	7,350	7,670 1(2,242)	3 ² 2,900
Indonesia.....	4,110	4,230	640	1,280	1,460	3,600 1 ² (4,046)
Pakistan.....	0	0	0	0	0	622 1 ² (4,441)
Other areas.....	22,360	20,680	18,300	17,450	17,950	19,278
Total exports.....	34,290	31,480	29,460	26,080	27,080	26,400

¹ Amounts given in brackets represent United States sales for foreign currencies under Public Law 480 for the corresponding period.

² United States shipments January-November 1956.

³ Reduction in Thai shipments occurred because of Japanese record domestic production of rice.

Mr. HUMPHREY. Mr. President, the correspondence relates to a discussion I had with Ambassador Khoman, of Thailand, concerning the sale of American-produced rice; the effect of the sale upon the Thailand economy; and upon the normal trade relations with some of its neighbors. I hope to be able to report, after an examination of the documents which I have received from the Department of State and the Department of Agriculture, that we did not displace the normal markets; that there was advance consultation with the countries in the area where the rice was to be shipped and sold, including the Government of Thailand. I believe my colleagues will find the exchange of correspondence and the material therein to be very reassuring. Many times we have been told that Public Law 480 was a dumping program—that it depressed markets and upset the world trade pattern. There is always that danger in such a program as this. I believe it is to the credit of those who have administered the program that there has been so little complaint as there has been to date; and furthermore, that there has been so little

disruption of the normal markets as has so far been indicated.

Mr. SCHOEPPPEL. Mr. President, will the Senator yield?

Mr. HUMPHREY. I yield.

Mr. SCHOEPPPEL. I genuinely appreciate the opportunity of listening to the discussion in which the Senator from Minnesota has been engaged concerning this most important subject. I am delighted, of course, that I had some small part to play in the introduction of the measure which was discussed by the Senator from Minnesota.

Mr. HUMPHREY. The Senator from Kansas played a great part in it, and we are all deeply indebted to him.

Mr. SCHOEPPPEL. As one who first favored the legislation in the Senate, and later in collaboration with many other Senators, I may say that the Senator from Minnesota has put his finger on a very important matter when he draws to the attention of the Senate the shortcomings of the executive departments in the administration of the act concerning the refusal by our Government to take valuable material in return for some of our surplus commodities. The Senator is so right about that.

The Senator has mentioned platinum. There were instances when we were offered diamonds and nickel, and commodities of that kind, which are valuable and easily storable.

Mr. HUMPHREY. Yes, indeed.

Mr. SCHOEPPPEL. I commend the Senator from Minnesota for elaborating upon that phase of the program, as well as upon the other phases, as he has done so magnificently this afternoon.

Mr. HUMPHREY. I thank the Senator from Kansas. I know that he will be, as I am, very much interested in the subsequent public hearings which will be held. The hearings will not be for the purpose of investigating anyone, but will be for the purpose of securing additional information. I think an extension of the act needs to be passed, and passed now.

I am certain the Senator from Kansas will agree with me that the program has been in the main very constructive. Basically it is constructive, but, as he so well knows, improvements can be made, once we have a proper interpretation of the law and of how the promoters or the writers of the law intended it to function. No one knows that better than does the Senator from Kansas. The Senator from Kansas can claim fatherhood of the bill.

Mr. President, everything I have said about the importance of S. 1314 and the operation of the whole of Public Law 480 program is of immediate importance. One of the provisions in the extension is the repeal of section 304. The repeal of section 304 is related directly to certain negotiations which have been taking place between the United States Government and the Government of Poland. The Gomulka regime constitutes one of the most precarious, yet hopeful, breaches in the Iron Curtain. Reports from Poland since the October revolution have been almost unanimous in concluding that it is in the best interests of the United States that the advances under Gomulka, precarious as they are, limited as they are, be preserved.

I am not unmindful that the regime in Poland is a Communist regime. But also I am not unmindful of the election which took place, in which the people had something to say about what happened in their country.

Similarly, I am not unmindful of the fact that the great religious institutions are again alive in Poland. The Catholic church has again forged to the front in terms of its school and religious program. Polish nationalism is reasserting itself.

One astute observer who has just been to Poland is the Honorable Chester Bowles, our former Ambassador to India. An article entitled "Poland Edges Slowly Toward Liberty," written by Mr. Bowles, was published in the Washington Post and Times Herald of March 18, 1957. I ask unanimous consent that the article be printed at this point in my remarks.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

POLAND EDGES SLOWLY TOWARD LIBERTY

(By Chester Bowles)

WARSAW.—The young Polish student spoke with passionate earnestness. "Poland is now on the road to full freedom," he said. "Nothing can stop us."

Last fall he had helped rally factory workers, students, and peasants to demand the end of Soviet control.

The older man across the table looked at him sadly. "I am afraid it won't work out that way," he said. "The support the people gave Gomulka was magnificent. Now the Russians know that any sudden move to seize the Government will lead to an uprising, with not only the students and workers but the Polish Army against them."

"So Moscow will move step by step. No single move will be sufficient to set off the explosion. But added together they will spell Soviet control again. In Hungary the Russians proved that they will not retreat."

MIDDLE VIEW

Midway between these extremes of optimism and pessimism is another, and, I believe, more likely view. Gomulka is dedicated to Polish independence. Although still a Communist, his 5-year jail experience under the Soviets has modified his views considerably and he would like to give an increasing measure of individual and economic freedom to the Polish people.

But he is restrained by two factors. First, he knows that his Communist Party is a minority in an anti-Communist Polish sea. Second, he knows that Poland is at the mercy of the Red army.

So he will move cautiously. The final outcome of this drive for Polish independence will depend partly on his skill, but even more on developments between the Soviet Union and the United States, particularly in regard to German unification.

On one point everyone is in full agreement. The Polish people are openly, vigorously, and almost unanimously opposed to Russian domination. This testifies to the total failure of Soviet efforts not only in Poland but in Eastern Europe.

THIRTEEN-YEAR RULE

Thirteen years ago the Red army liberated Poland from the Nazis. For 13 years a Soviet-dominated government ran the country. Soviet planners directed the economy. Soviet educators shaped the educational system. Soviet-led censors decided what news the Polish people should hear and read. Yet Moscow's effort to tie Poland to the Soviet Union failed utterly.

To return to Warsaw after 9 years is an emotional experience. In 1948 when I came here on a United Nations mission the city was a ruin—the most damaged of all cities in World War II.

Now the city has been largely rebuilt on the same model as the old. The ancient city square—the Stare Miasto—has ever been restored in all its beautiful 17th century detail.

But despite such great achievements in construction Poland stands today as bitter evidence of the course forced upon Eastern Europe by Stalin.

WEST THRIVING

Western Europe, thanks to its free system and the substantial aid from us, is thriving.

"When you look at Italy or Belgium," I said to a group of Polish economists, "you can say, 'There, but for the grace of Stalin, goes Poland.'"

They agreed that Stalin's refusal in 1947 to let them participate in the Marshall Plan was one of the most costly byproducts of the Soviet occupation. Instead, the Russians forced Poland to create a topheavy economy designed to serve Soviet interests by concentrating on heavy industry and armaments.

With few consumer goods to reward the people for hard work, production in shops, mines, and on farms slumped lower and lower.

In June this economic failure touched off the heroic uprising of the factory workers at Poznan which was followed last October by the reaction of the whole Polish people against Soviet domination.

RELIGIOUS UNITY

The Polish people never did succumb to communism. They are not only deeply religious, but unified in one faith. In the century-long darkness of German-Russian-Austrian occupation, the church was the rallying point for Polish patriotism. The individualist Polish peasant resisted Soviet collectivization so stubbornly that despite all kinds of tax and other pressures 80 percent remained individual farmers.

Now the Gomulka government has moved to satisfy the people on two important counts. First, there has been a drastic relaxation of economic controls, and incentives are being increased sharply. Peasants are now permitted to leave the collectives, and most are leaving.

Second, the government has come to a working agreement with the church. In the upheaval of last October, Stefan Cardinal Wyszynski played a central role. The previous month he had been released from prison 3 years after his arrest.

I had looked forward to meeting the Cardinal and hearing his views on recent developments. But he was away from Warsaw this week.

I did have a 2-hour talk with Dr. Jerzy Stachelski, minister without portfolio for church-state relations, who I am told played a major role in working out the present basis of cooperation.

Dr. Stachelski told me that before the war religious teaching in the schools had been compulsory. In 1949 it was abolished by the Soviet-dominated government. Now it is available again to each child whose parents request it. Nearly 90 percent have done so.

LONG WAY TO GO

Poland is a long, long way from being out of the Soviet woods. On her Eastern border are 100 Red army divisions. Twenty more are to the west in Germany. The government in power, although in no mood to accept direct Soviet domination, is a Communist government.

Moreover, to a large extent Poland's future is tied to that of Europe. As long as Germany remains divided, Soviet divisions will remain there. Because its military communication lines run across Polish territory Moscow will allow Poland only limited independence.

PEACE NEEDED

Only through an agreement between America and her allies on the one hand and the Soviet Union on the other to pull back their troops from the explosive heart of Europe can Poland and the other Eastern European countries hope to become really free.

This will involve difficult negotiations, the establishment of many safeguards, and a more relaxed political climate. This is what the Cardinal meant when he said on his release from confinement that the condition for Polish freedom is peace.

Mr. HUMPHREY. Mr. President, during the past few weeks, a Polish mission has been in Washington seeking surplus food and other economic assistance. Two articles have struck me as being particularly noteworthy in describing the factors involved in the Polish negotiations. The first is an article written by William H. Stringer and published in the Christian Science Monitor of March

9, 1957. The second is an article written by Ernest K. Lindley, the prominent and noted columnist. It was published in *Newsweek* for March 18, 1957. I ask unanimous consent that the two articles be printed at this point in the *RECORD*.

There being no objection, the articles were ordered to be printed in the *RECORD*, as follows:

[From the *Christian Science Monitor* of March 9, 1957]

(By William H. Stringer)

WASHINGTON.—The latest—and in some ways the most significant—of the recent flood of foreign visitors to Washington are now engaged in vitally important talks with American officials.

For it seems likely now that Poland will get some of the American aid it is seeking in secret talks here, but by no means the whole \$300 million worth it has asked for.

Whether this American aid will be sufficient so the Gomulka government can show that Poland need no longer lean as heavily as before on Moscow remains to be determined.

It is generally agreed that Poland's economic plight needs to display some signs of genuine improvement by this fall, if the precarious Polish balance between East and West is to be preserved. If that balance is not preserved, then the alternatives are either a return to strict Stalinism in Poland or a break for the West which Moscow might seek to repress with Hungarian-type brutality.

The Polish delegation which began negotiations here February 26 has asked for considerably more than it expected to get from the United States. One American official has described it as a Marshall plan shopping list 10 years late.

NEGOTIATIONS PRESSED

Back in 1947 Poland was ready to join the newly launched Marshall plan, only to be pulled back, along with Czechoslovakia, on Stalin's orders.

Here is what the Poles are asking for:

1. Some \$200 million worth of surplus farm products, including cotton for Poland's faltering textile factories, wheat, other grains, fats, and oils. The Poles want to pay for this in zlotys.

2. About \$100 million in an Export-Import Bank loan, to buy coal-mining and farm machinery and fertilizers. This loan would be repaid in dollars over a long period, perhaps 20 years.

3. A short-term loan of some \$30 million from New York banks, for purchase of farm machinery and fertilizers.

GOMULKA TAKES RISK

When negotiations began, American officials warned that an agreement, if reached, would not run to anywhere near the \$300 million figure set by the Poles.

Obviously, the government of Wladyslaw Gomulka took a major risk in asking for such large-scale aid. In the first place, to engage in negotiations for such a sizable slice of Western assistance was to brave the strong displeasure of Moscow.

On the other hand, if the American negotiations don't go well, the Polish Stalinists who oppose Mr. Gomulka can argue that ties with the West are useless.

Washington would like to be responsive to the Polish requests. President Eisenhower, Secretary of State John Foster Dulles, and the National Security Council have all taken the position that aid to Poland is in the interests of the United States.

The Poles were encouraged to come to Washington with a list of needs. The United States has hoped to instill in the Soviet satellites a realization that an independent attitude toward the Soviet Union will not mean economic disaster.

Also, there has been much less resistance throughout the United States to economic aid for Poland than, for instance, to the proposed visit of President Tito of Yugoslavia.

But the problem confronting the negotiators has been that the restrictions of the Battle Act and other legal obstacles make it virtually impossible to grant the full sweep of Polish requests.

The Battle Act basically prohibits aid to Communist regimes. To avoid this restriction, Secretary Dulles has made a legal finding that the Gomulka government is not under Moscow's domination and control. So surplus farm products can be sold to Poland under Public Law 480, which provides for disposal of such surpluses.

The trouble is, there is not enough money left in the Public Law 480 account this fiscal year to finance the sale of farm surpluses in the amount Poland wants. Congress has been asked to replenish the fund by another \$1 billion. This will be done, but it will take some weeks.

There also is a complication in the sale of surpluses for local currencies, such as Polish zlotys. The Battle Act, which seems to get in the way all around on the Polish deal, frowns on turning back the local currencies to the local government for economic development programs.

ROADBLOCK TO LOANS

Finally, the Battle Act bars loans by private banks. New York banks would be willing to lend to Poland, but not without a Government guaranty.

One source of funds is that part of the annual foreign-aid appropriation set aside for use at the President's own discretion. The President can use \$30 million of this for any one country. Some of this unrestricted money certainly will be used in the Polish deal, although it already has been drawn upon heavily for Hungarian refugee assistance.

The Polish delegates undoubtedly will take back with them a deal for surplus farm crops, including cotton imports, spread out over a year or so, and some machinery. But if the aid runs to as low as 10 percent of the Polish requests, as some official comment has indicated, the disappointment in Poland (and the satisfaction in Moscow) could have a serious impact on the Gomulka regime.

[From *Newsweek* of March 18, 1957]

WASHINGTON TIDES

(By Ernest K. Lindley)

FOOT IN THE DOOR?

Barring unexpected developments, the United States will soon extend some financial assistance to Poland. The Polish mission now in Washington is seeking \$200 million in surplus farm products to be paid for in Polish currency and \$130 million in loans to buy farm and mining machinery and fertilizer. To grant this aid would be the intelligent course. It is in the interest of the United States and of the cause of freedom to help to stabilize the present regime in Poland.

The present Polish regime is not only Communist-controlled but allied, at least nominally, with the Soviet Union. Otherwise, Moscow would not permit it to exist. Soviet troops remain in Poland, by agreement with the Polish Government, ostensibly to protect Soviet communications with East Germany. More could be sent in quickly. The degree of freedom which Poland enjoys is sharply limited. And to expect Poland to win even more freedom from Moscow in the visible future would be wishful—probably dangerously wishful—thinking. It probably has already achieved the approximate maximum of autonomy that Moscow will yield under present circumstances. But this is more than Moscow wished to concede and con-

siderably more than the Poles could reasonably have hoped for 6 months ago.

Threat of force

We must suppose that Moscow would like to retighten its grip on Poland and that it will try to do so, with the aid of pro-Moscow elements among the Polish Communists. But we must suppose also that Moscow does not want to employ naked military force to subdue Poland. The Poles outnumber the Hungarians and many believe that the Polish army would put up determined resistance. The repercussions of military action in Poland might be acute in East Germany and would spread over a wide area. Conceivably they would invoke the possibility of a world war. Yet is is certainly well within the capacity of the Soviets to subdue Poland by military force, and it is prudent to assume that the Soviets would resort to force if necessary to prevent Poland, and so East Germany, from leaving the Socialist camp.

Unquestionably, the Polish people are overwhelmingly anti-Communist as well as anti-Russian. Unquestionably, if they were completely free, they would resume in full their historic ties with the West. But, as the recent elections indicated, they think the wise course for them is to support the regime headed by the Nationalist-Communist Gomulka. We must infer that that is what they would like their friends in the free world to do.

Hope in contacts

As to how far Gomulka can go without invoking a Soviet clamp-down, he and the men around him are the best judges. We should not even ask them for political concessions. As President Eisenhower has repeatedly emphasized, we want no military allies in Eastern Europe. What we should seek is the widest possible contact between Poland and the West through trade and cultural relations and through personal contacts. This effort should include economic aid. Poland needs it. And if some of it does not come from the West, the Polish regime will become completely dependent on Moscow.

It may be said that whatever economic aid we extend to Poland relieves the burden on Moscow. Moreover, we cannot be sure that Gomulka, under pressure, will not become more subservient to Moscow or give way to Communists who are. Once before, in the years immediately after the war, we gave Poland economic aid in the hope of saving it from complete domination by the Kremlin. Of course, we cannot be sure that the gains Poland has now won will not be lost. But the best hope of saving them lies at this time in helping the Gomulka regime.

When Moscow excommunicated Tito in 1948, the United States and other western nations came to his aid. That was intelligent and has proved fruitful. Without Western support Yugoslavia today probably would be a Moscow satellite, instead of an independent nation not even nominally allied with Moscow. The Polish case is different in important respects. But, coolly examined, it leads inexorably to the conclusion that we should extend economic aid.

Mr. HUMPHREY. Mr. President, not only do I want these articles printed in the *RECORD*, but I hope that as Senators study the *RECORD*, they will pay particular attention to the articles.

Mr. President, as the *New York Times* said in a recent editorial:

Here is the first real chance we have had in respect to Poland in several years. * * * The Eisenhower administration will have lost a major opportunity of its own making if it allows the present negotiations over American economic aid to Poland to peter out in a morass of doubts, indecision, and timidity.

Mr. President, I believe that the editorial which was published in the New York Times is of such importance and is so cogent and persuasive, that it should be made a part of this RECORD. Therefore I ask unanimous consent that the editorial of March 22, 1957, be printed at this point in the CONGRESSIONAL RECORD.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

A HELPING HAND FOR POLAND

The Eisenhower administration will have lost a major opportunity of its own making if it allows the present negotiations over American economic aid to Poland to peter out in a morass of doubts, indecision, and timidity. While obviously there is no necessity to grant the Poles the entire huge sum of \$300 million in agricultural products and machinery for which they are asking, it nevertheless is vitally in the interests of the United States to offer them substantial help at this crucial moment in their relations with Soviet Russia.

It is only to be expected that with their usual myopia some Members of Congress would object to anything that smacks of aid to a Communist state, even to one that has been showing signs in recent months of some independence from Russian imperialism. But the administration should be willing to face a hot political fight, even with members of its own party, so long as it knows that under the peculiar circumstances of the present situation American loans to Poland might help drive the wedge a little deeper between Gomulka's government and its imperial Russian "protectors." Here is the first real chance we have had in respect to Poland in several years; it is a chance—which our own Government wisely encouraged—to offer Warsaw some alternative to complete and hopeless dependence on the East.

Naturally, the grant of a few score million dollars' worth of American aid is not going to change the situation overnight; deep-dyed Polish Communists insist, of course, that it won't change it at all. But it is a thin opening of the door. For effective aid congressional action will probably be needed, but before congressional action can be expected there must be Executive decision. A study of foreign aid made last December by former Representative James P. Richards, now the President's emissary in the Middle East stated: "One of our primary objectives is to help nations such as Poland disengage themselves from Soviet domination, and it is essential that we be able to provide them assistance." Senator KENNEDY has wisely pointed out that the Poles "ability and willingness to turn to this Nation for assistance for the first time should be encouraged." Many bitterly anti-Communist Polish-Americans say the same. And President Eisenhower himself, talking last fall in the specific contest of the Polish upheaval, spoke of America's mission to help peoples "who need and want and can profitably use our aid," so that they can advance toward self-support and, by implication, to ultimate political independence.

Mr. HUMPHREY. Mr. President, today I wish to add my voice to the call for forthright action to bolster the Polish people's recent progress toward freedom and independence. By sharing our blessings of food abundance with the peoples who seek to break away from the Soviet tyranny, we can make American food the yeast of freedom which can expand and strengthen the movement toward freedom and independence. American food is indeed yeast which can add to the ferment of liberation. We should

understand clearly that we are taking a calculated risk by such measures, but it is only the risk that the yeast will not rise. American food cannot be hurled back at us. All we have to lose is the food itself; all that we can suffer is disappointment. There is no guaranty whatever that we can help any country behind the Iron Curtain actually to gain the economic and moral and social strength to lift that curtain. In fact, when we enter the negotiations we must recognize that perhaps the odds are against us. But we should be willing to accept that risk. We are taking a calculated risk; but, as I have said, it is only the risk that the yeast will not rise. American food cannot be hurled back at us; food is not like guns, airplanes, tanks, or ammunition.

Mr. President, I think it would be well for the lovers of democracy to think about that point for a moment. The father of Marxism said that all that the people have to lose is their chains. To those of us who are dedicated to freedom, I wish to say that by means of the program to which I am addressing my remarks, all we have to lose is the food itself. The only pain and suffering we can have in that connection is just the possibility of disappointment.

Mr. President, the Polish American Congress, the emigre Polish Council of National Unity, and most Polish-American newspapers, all vigorously anti-Communist, have urged that aid be extended to the Polish people at this time. No one who is familiar with these groups would accuse them of pro-communism. All of them have been militantly, vigorously anti-Communist. It is time that the Congress joined them and all other friends of Poland in assuming the risk that this assistance involves. Under the circumstances we can do no less.

Mr. President, we have been making some promises to help in their liberation. I shall not discuss the political pros and cons which so often are involved in the discussion of the term "liberation." My point is that we have said we wish to help these people. The President has made it clear that we wish to help them all we possibly can. We have made it clear that we are not going to help them in terms of violence or force.

Therefore, I suggest that we use the weapons of peace and humanitarianism at our command. The arsenal of American democracy is, in part, food and fiber. In addition, the arsenal of American democracy is also composed of our generosity, our sense of compassion, our love of freedom. Every bit of this we can extend to the freedom-loving peoples of Poland; and we can do so with little risk to ourselves. We can assure the people of Poland—the vast majority of whom are anti-Communist, and on the side of freedom—that they are not forgotten. One way to do that is by means of the expressions made by the Members of Congress. Another way is by deeds, by action. One action we can take and can fulfill, with little risk to our own national security, is to see to it that children have sufficient food and that elderly persons have sufficient suste-

nance, and that workers have a diet which is worthy of humankind, and that food be used so that people can live a little better.

Mr. President, this morning's Washington Post contains a lead editorial on the subject I have just been discussing. The editorial is entitled "The Price of Too Little." I ask unanimous consent that the editorial be printed at this point in the RECORD, as a part of my remarks, because the editorial states precisely what I have to say.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

[From the Washington Post of March 29, 1957]

THE PRICE OF TOO LITTLE

Precious time is running out on the chance to strengthen Polish independence. The administration has talked in general terms of aiding Poland, but no decision has been made on Poland's request for surplus agricultural commodities, machinery, and loans aggregating some \$300 million. Negotiations have been at a standstill pending a determination in the State Department and further soundings in Congress. Meanwhile there are indications that predominant official thinking is in terms of only a small fraction of what the Poles have asked.

This line of thinking, if it prevails, will come perilously near to foreclosing the limited freedom Poland has won. The Poles have run great risk in taking up what amounted to a Presidential invitation to ask for American help. Their economic situation is desperate, and every day's delay in alleviating it means more danger that they will be forced to turn to Russia in disillusionment with the United States and the West. The consequence of inadequate help would be almost as bad. It would give an enormous handle to the Stalinist faction which would then be in a position to cry "we told you so" to the Gomulka government.

Very probably the Poles do not expect to get all they have asked; and perhaps their shopping list is inflated. It is proper for this country to consider how much it wants to risk for a regime that has not yet proved itself. But certainly wheat for Polish stomachs and cotton for Polish textile factories—both of which commodities are needed urgently—involve little risk. Coal-mining machinery to enable the Government to open new mines also would involve little risk. Both are within present capabilities. The authority to sell \$3 billion worth of surplus commodities to friendly nations is almost exhausted, but the Senate Agriculture Committee has approved a new general bill augmenting the authority, and a start can be made under existing authority. Coal-mining machinery can be supplied on a loan basis out of emergency funds available to the President.

Beyond this, with respect to larger loans, it will be necessary to ask Congress to amend the Battle Act so as to take account of the new situation on the fringe of the Iron Curtain. But what is needed most of all is a determination in the administration to act. The administration seems paralyzed by fear of offending Congress. As usual, this fear seems overrated. There is substantial support in Congress for help to nations emerging from satellitism, and if the administration will make its case forthrightly and courageously there is every reason to think that Congress will agree. Indeed, the administration, and particularly the State Department, has encouraged the few strident voices by its timidity.

This administration did a lot of talking in the past about liberation. There are two kinds of liberation: that which comes grad-

ually and by peaceful means, as in Poland, and that which comes violently at tremendous human cost and at the risk of a major war, as in the unsuccessful Hungarian revolt. What the Poles have won is not complete independence, nor is their economic system wholly to American liking; but they have established a large measure of domestic autonomy in a framework of enlarged individual freedom. President Eisenhower said last October, by way of encouragement to independence in the satellites, that the United States would help "freedom-loving peoples who need and want and can profitably use our aid." Surely it is cheaper to give this sort of aid generously when cracks open in the Iron Curtain than to risk a bloody war. A turndown or a niggardly response to the Polish request would amount to a confession that our words are just finely phrased enticements that evaporate when the test comes.

Mr. HUMPHREY. Mr. President, the editorial I have just had printed in the *RECORD* is a very moving one. I think it will touch not only the mind but also the heart of each Member of Congress.

Mr. President, in connection with the editorial I wish to point out that our President did extend an offer of help to Poland. The United States has offered to help peoples who seek freedom. In this instance, the offer was explicitly made to Poland.

Mr. President, the editorial concludes with the following sentence:

A turndown or a niggardly response to the Polish request would amount to a confession that our words are just finely phrased enticements that evaporate when the test comes.

I know that will not be the result of the negotiations, because we cannot afford such a failure.

During the delivery of Mr. HUMPHREY's speech.

Mr. LONG. Mr. President, will the Senator yield?

Mr. HUMPHREY. I yield.

Mr. LONG. I agree with the Senator's argument. I think he is making a fine statement. However, I believe he will agree with me that when we spend our money overseas in terms of local currencies, we should insist on an honest exchange of currencies, and not take their currencies at an artificial rate, and exchange our currency in such a way as to lose perhaps a third, 60 percent, or perhaps 90 percent of the purchasing value of our currency in exchange for theirs.

I regret that the Senator was not before the committee today when Mr. Johnson, who is an executive of the United States Chamber of Commerce, testified about the situation in Vietnam. He told us that we spent \$240 million to support that Government and the economy of that country. We did it in terms of commodities, because we did not want to increase the inflationary aspects of their economy. But we did it on a pegged basis, under which we would accept the piaster at the rate of 30 piasters to the dollar. Actually, on the international market, a dollar was worth 100 piasters.

We sent them bicycles and various other commodities needed in their economy. They had 20,000 dealers who wanted to handle our goods, but the Government would license only 2,000,

and those 2,000 individuals got all the import licenses. They would take our commodities on the basis of 30 piasters to the dollar and sell them on the basis of 100 piasters to the dollar. So from our \$240 million we got about \$75 million worth of benefit through to the people of Vietnam, and 2,000 dealers picked up all the profits, and all the benefits from the other \$165 million.

I know the Senator is against that sort of thing. He is in favor of our foreign-aid money benefiting the people, and not benefiting 2,000 profiteers. That is what happened in Vietnam.

Mr. HUMPHREY. I certainly am in favor of our foreign-aid program benefiting the people. The kind of administration to which the Senator refers is inexcusable. It must be brought to public light. It must be condemned, and it must be corrected.

However, I believe that the program which I am discussing, under Public Law 480, for the use of our agricultural surpluses, can be administered, and, in the main, has been administered, in such a manner as to be a credit to our country.

Through confidential reports which we have received in our committee I had heard earlier about the foreign-aid program in Vietnam. It seems to me that that is an area in which the ICA and the State Department deserve to be chastised.

Mr. LONG. I regret to interrupt the Senator with something that is somewhat irrelevant to his speech, but I know that the Senator, who has supported the foreign-aid program, would not propose, any more than I would, to support a program under which we would send \$240 million overseas and allow leeches to tap our pipelines, so that only \$1 out of \$3 would ever hit the target.

Out of our hard-earned tax money, 2,000 profiteers each made an average of \$70,000 profit. The people of that area look on and say it is a crooked proposition, a rotten deal, and there must be something dishonest about the whole outfit, because a very few people get rich at the expense of the American foreign program.

Mr. HUMPHREY. The leeches should be removed from the pipeline summarily, and those who are responsible for letting the leeches get on the pipeline should certainly be removed summarily.

Mr. LONG. I would not advocate the Russian system. However, I would say that under the Communist system, if the men in the Kremlin found themselves with an administrator of a system or someone in charge of a program who had caused their nation an expense of \$140 million, with no result whatever, and those administrators had been paying off graft, and making it possible for some profiteers to make money out of the program, the bosses in the Kremlin would shoot that man.

So far as I am concerned, the least we can do is to fire the man who is responsible for that decision, whoever he may be in Washington.

Mr. HUMPHREY. I concur in that statement. I should like to ask unanimous consent, Mr. President, to have the colloquy between the Senator and

myself relating to the foreign-aid program come at the end of my prepared statement on Public Law 480. I hope the Senator from Louisiana will remain in the Chamber, because his help is always timely. He is always exceedingly helpful and dedicated to the public good.

The PRESIDING OFFICER. Without objection, it is so ordered.

ANALYSIS OF THE REPORT OF THE SUBCOMMITTEE ON PRIVILEGES AND ELECTIONS OF THE COMMITTEE ON RULES AND ADMINISTRATION RELATING TO CAMPAIGN EXPENDITURES AND CONTRIBUTIONS IN THE 1956 GENERAL ELECTION

Mr. SCHOEPPLE. Mr. President, the Subcommittee on Privileges and Elections of the Committee on Rules and Administration released its report on the 1956 general election campaigns to the press on Sunday, February 3. This voluminous document contains 928 pages and weighs 4 pounds. Yet, only 24 pages are devoted to the conclusions and observations of the majority members, and 4 pages to a vigorous dissent by the minority member, the distinguished junior Senator from Nebraska [Mr. CURTIS]. The remainder of the report is devoted to a presentation of the statistics which form the basis for the conclusions and recommendations of the subcommittee. The press featured the data released in the report as front-page news in the Sunday editions across the Nation.

Senators will always differ as to the interpretation of facts and on the appropriate legislative measures to meet situations disclosed by the studies of our committees. In the course of my remarks today, I intend to discuss the findings and conclusions presented by the majority members of the subcommittee.

However, before doing so, I must advise the Senate that these findings are based on inaccurate statistics. The data compiled by the subcommittee contains double counting, inconsistent reporting of the same data on different tables, and such gross errors as the inclusion of individuals as members of groups to which they do not belong and, similarly, the exclusion of others. I have found significant errors in every table, which, in my judgment, render them of very doubtful value.

Every Senate committee has an obligation to the Senate and to the public to insure that any statistics upon which majority and minority views are based are accurately set forth and may be accepted as facts by the Senate, the press, and the public.

The U. S. News & World Report, published by David Lawrence, a journal which many of us read, assumed that this was the case. In its issue of February 15, 1957, this publication, on page 90, said:

Here's the official story of 33 millions—where it came from and where it went.

A new book tells the story of spending in the campaign.

The volume, written by a Senate committee, is filled with big names. It reports what

EXTENSION OF PUBLIC LAW 480

MARCH 26, 1957.—Ordered to be printed

Mr. ELLENDER, from the Committee on Agriculture and Forestry,
submitted the following

REPORT

[To accompany S. 1314]

The Committee on Agriculture and Forestry, to whom was referred the bill (S. 1314) to extend the Agricultural Trade Development and Assistance Act of 1954, and for other purposes, having considered the same, report thereon with a recommendation that it do pass without amendment.

GENERAL

This bill would amend Public Law 480, 83d Congress (the Agricultural Trade Development and Assistance Act of 1954) to—

(1) extend the termination dates of title I (sales for foreign currencies) and title II (famine and other relief) to June 30, 1958 (from June 30, 1957);

(2) increase the limitation on title I transactions from those calling for appropriations of \$3 billion to those calling for appropriations of \$4 billion;

(3) increase the limitation on title II expenditures from \$500 million to \$800 million; and

(4) repeal section 304 (sec. 304 requires the President to exercise his authority under the act so as to assist friendly nations to be independent of trade with Iron Curtain countries and so as not to increase the availability of commodities to unfriendly nations).

DESCRIPTION OF TITLE I PROGRAM PROCEDURES

Title I authorizes the President to enter into agreements with friendly nations or organizations of friendly nations for the sale of surplus agricultural commodities for foreign currencies, to be used for foreign assistance, payment of United States obligations abroad and certain other purposes. Under existing legislation, new agreements

cannot be entered into after June 30, 1957. Agreements are negotiated through diplomatic channels.

After agreements are signed, purchase authorizations are issued to importing governments by the Foreign Agricultural Service. These authorizations specify the kinds, quantities, and maximum dollar values of the commodities to be purchased, and the conditions under which financing will be made available. Public announcements are made of these authorizations for use by United States suppliers in making sales with foreign importers.

Normal commercial procedures, based largely on letters of credit, are followed in carrying out title I sales. Importers pay for commodities in local currencies through their local banks. United States suppliers are paid in dollars by United States banks with which the foreign banks have established dollar letter of credit arrangements. The United States banks are reimbursed by the Commodity Credit Corporation. The foreign currency purchase price of the commodities is deposited to the account of the United States Government in accordance with arrangements made between Governments of the United States and the importing country.

SALES OF COMMODITIES

Since the inception of the program, 87 agreements or supplements to agreements have been entered into with 30 countries. These agreements include commodities involving a total CCC cost of about \$2.9 billion and a total export market value of about \$2 billion. These costs include about \$225 million in ocean transportation which are being financed by CCC.

The title I authorization is in terms of CCC cost which includes the cost of commodities, processing, handling, and other costs. The export market value represents the prices actually paid by importers under individual transactions. Because of this cost difference, programing of \$2 billion in export market value has nearly exhausted the CCC cost limitation of \$3 billion.

About \$1 billion worth of commodities at export market value has already been exported. By the end of the current fiscal year, the Department of Agriculture advises, shipments should total about \$1.2 billion. A large portion of the unshipped balance on June 30, 1957, will represent the 1958 and 1959 programs with Indian and Brazil under their 3-year agreements.

Fiscal year 1956 was the first full year of title I operations. During that year, about \$427 million worth of commodities was exported or 12 percent of total United States agricultural exports. Shipments this fiscal year are averaging about \$60 million per month and are expected to comprise about 16 percent of our total agricultural exports which are expected to establish a new record.

In terms of tonnage, title I programs exceed 16 million metric tons, of which somewhat more than 50 percent has been shipped. Over 3 million metric tons were shipped during the first 6 months of this fiscal year.

Dollar value and quantities of all commodities programed since the inception of the program are given in tables 1 and 2.

USES OF FOREIGN CURRENCIES

The foreign currencies which accrue from title I sales may be used for 10 purposes specified in section 104 of the law. The planned uses of foreign currencies for these purposes are set out in table III.

Market development projects are already underway in 20 countries involving the equivalent of about \$5 million. About \$32 million is earmarked for this purpose under existing agreements. Market development projects include marketing studies, exhibits at trade fairs, advertising and promotional displays, and exchange visits of industry representatives of the United States and the foreign countries concerned.

Payment of United States obligations overseas include such obligations as costs of military base construction, continuing administrative and operating expenses of the Department of State and the United States Information Agency and the purchase or construction of military family housing.

Currencies are being used for educational exchange programs, for assistance to American-sponsored schools, libraries, and community centers, and for the translation, publication, and distribution of books and periodicals abroad.

Substantial amounts of the foreign currencies are being used to promote economic development. Virtually all of these development funds are loaned to participating countries with programs being worked out by the foreign governments in cooperation with the United States. Direct grants of currencies for economic development purposes are made only in special circumstances.

Of the agreements signed to date, almost 60 percent, or about \$1.1 billion of foreign currency payments is earmarked for use for economic development loans.

Finally, foreign currencies are used for the purchase of strategic materials, procurement of military services and equipment for the common defense abroad, and for the purchase of goods for other friendly countries.

From table III it is seen that most of the foreign currencies being generated under title I agreements are to be used in furtherance of the foreign aid program, United States foreign policy interests, and other nonagricultural purposes. Only 1.6 percent of the total is planned for market development for agricultural commodities, while 98.4 percent is planned for other uses as follows:

	Millions of dollars	Percent
Purchase of strategic material.....	7.2	.4
Military procurement.....	241.0	12.1
Purchase of goods for other countries.....	23.5	1.2
Grants for multilateral trade and economic development.....	61.5	3.1
Payment of United States obligations abroad.....	478.38	24.1
Loans for multilateral trade and economic development.....	1,114.9	56.2
International education exchange.....	17.15	.9
Translation and publication.....	1.75	.1
Information and education.....	7.4	.1

Unfortunately, most of the publicity which has been given to Public Law 480 has emphasized, exclusively, the benefits that American agriculture has received from the program. The committee considers

(continued)

it highly important that this situation be corrected, and that the benefits to nonagricultural interests be shown in their true light. Therefore, the committee recommends that, in the future, all accounts and estimates concerning the cost of the program clearly differentiate between that part of the cost attributable to agricultural programs and that part attributable to nonagricultural programs. They should also show that part of the amount attributable to nonagricultural programs which is reimbursable from appropriations for other agencies and that which is not. The difference between the export value and the Corporation's investment in commodities exported under the program should be shown as a separate item.

PLANS FOR ADDITIONAL BILLION DOLLARS

The Department of Agriculture advises that the additional \$1 billion provided for title I by the bill will permit programing of agricultural commodities for fiscal year 1958 at about the same annual rate as in the past 2 years.

The bill limits title I to an additional \$1 billion and 1 year because Public Law 480 is a temporary program designed to deal primarily with accumulated farm surpluses, and it is believed that the results obtained under this program should be subjected to a periodic review which will permit consideration of alternative methods of surplus disposal and other actions aimed at expanding normal export markets.

APPLICATION OF TITLE I TO FRUIT

The committee gave some consideration to the need for reiteration of its statement in Report No. 2290, 84th Congress, concerning the continuous need of the fruit industry—

for the export of certain varieties, grades, sizes, and specifications, irrespective of whether or not a total surplus exist, if an orderly balanced marketing program is to be secured;

and as to whether any legislation were needed to clarify this situation. The Assistant Secretary of Agriculture assured the committee that no such legislation was necessary, as follows:

Mr. BUTZ. * * *

There are three categories of commodities for inclusion under Public Law 480. One is commodities actually owned by CCC. There is no question about their inclusion. The second is that group of commodities under price support, but not in CCC ownership. Soybeans being a case in point.

* * * * *

The third is that class of commodities neither owned by CCC nor under price support. Fruits and vegetables being a case in point.

As you well know, when we program a commodity under Public Law 480, title I, that is not in CCC ownership, dollars are spent from the current year's budget to purchase those and put them into the title I program. If we take commodities out of CCC inventory, the dollars have already been spent, and we are simply liquidating surpluses which have been accumulated.

Therefore, it is understandable, as Government policy in an effort to keep some kind of budgetary control in the overall budget, that there is inevitably pressure and sentiment to emphasize CCC-owned commodities first in the programing of title I deals, and secondly to emphasize those commodities that might come into CCC if you do not program them under a title I deal.

But it has been determined now at top levels of Government that all three classes of commodities are eligible for title I, Public Law 480. It will be our policy, however, to exercise some restraint in the programing of the third classification of commodities as well as the second class of commodities. We recognize fully that to exclude any group of agricultural commodities from eligibility under title I exerts a strong pressure back of those producer groups to go under price support. That would not be good.

Therefore, it would be our policy, Senator, to watch all these commodities carefully, including all your fruits and vegetables, and if and when they get into distress, or it appears they may get into distress, and there is opportunity to program them in a country program to some country that needs them—and as you know, there are countries that would use them * * * then they will be as seriously considered as any other commodity for inclusion in a title I deal.

Senator HOLLAND. There is no doubt, now, under the official interpretation that fruits and vegetables are eligible when they are in surplus, or there is a reasonable indication that they are about to be?

Mr. BUTZ. You are correct. I feel we have the legislative authorization now to do what you mentioned, based on the report you made last year.

Senator HOLLAND. And secondly, you do not think that any industry should be penalized simply because it does not ask for price support, or has not permitted its product to get into Government hands or be supported by Government loans?

Mr. BUTZ. You are right. On the contrary, I think the fruit and vegetable industry is to be congratulated for the very fine job they have done in merchandising their product with a minimum of governmental assistance.

Senator HOLLAND. Then you would have no objection to spelling this out even more fully in the act itself than we did heretofore?

Mr. BUTZ. No objection. I do not think it is necessary.

TITLE II AND SECTION 304

The bill provides an increase of \$300 million in the title II authorization. Since current commitments are about \$300 million, this will have the effect of restoring the authorization to the existing \$500 million.

This program provides a means by which we can help friendly foreign people in time of need. It has been used to help feed Hun-

garian refugees in Austria; alleviate distress caused by floods in Afghanistan and Iran; and furnish relief to Bolivia and Tunisia.

Repeal of section 304 of the act would be helpful in our foreign policy objectives since it would enable us to send our agricultural surpluses to Eastern European satellites in exchange for strategic or other material.

The letter from the Department of Agriculture requesting this legislation is attached.

DEPARTMENTAL VIEWS

DEPARTMENT OF AGRICULTURE,
Washington, D. C., February 14, 1957.

The PRESIDENT OF THE SENATE,
United States Senate.

DEAR MR. PRESIDENT: Enclosed is a draft of a proposed bill to extend the authorities under titles I and II of the Agricultural Trade Development and Assistance Act of 1954, as amended (Public Law 480, 83d Cong.) and to repeal section 304 of that act.

It is proposed that section 103 (b) be amended to increase the title I authority from \$3 billion to \$4 billion; it is proposed that section 109 be amended to extend the terminal date through which title I transactions can be undertaken from June 30, 1957, to June 30, 1958.

Title I of Public Law 480 authorizes the President to enter into agreements with friendly nations or organizations of friendly nations to provide for the sale of surplus agricultural commodities for foreign currencies. At the present time more than \$2.8 billion of the \$3 billion authority has been committed through formal agreements. Negotiations now in progress and current program planning indicate that the entire \$3 billion will be committed under agreements well before June 30, 1957. It is likely that this will occur as early as February 1957.

Public Law 480 is considered a temporary means of disposal of agricultural surpluses. It has proved to be an effective tool in moving surpluses abroad while other programs are restoring a more balanced situation with respect to farm output and demand. However, sales for foreign currencies and barters are inconsistent with the administration's foreign trade policy and the administration's desire to further the removal of Government from business. No action should be taken to incorporate disposal methods of this kind as permanent features of United States foreign trade programs.

The request for an additional \$1 billion and the extension of the terminal date under title I is presented at this time in order to permit orderly programing of agricultural commodities for the fiscal year 1958. The additional amount would provide for new programing at approximately the same annual rate that has been accomplished since the program was initiated in 1954.

In order to permit continuation for another year of the useful activities which have been possible under title II of Public Law 480, it is proposed that section 203 be amended to increase that authority from \$500 million to \$800 million and that section 204 be amended to extend the terminal date for undertaking programs from June 30, 1957, to June 30, 1958. Inasmuch as approximately \$300 million of title II funds has already been committed, this proposal would, in effect, restore title II to the present amount authorized of \$500 million.

Section 304 of the act requires the President to exercise his authority under Public Law 480 so as to assist friendly nations to be independent of trade with the U. S. S. R. or nations dominated or controlled by the U. S. S. R. and so as not to increase the availability of commodities to unfriendly nations.

It is recommended that section 304 be repealed. This would place us in a position to make offers of barter transactions on a selective basis to the European satellites of the Soviet Union. It would appear that this authority would be of particular advantage in view of recent developments in Eastern Europe. Agreements for sales of commodities for foreign currencies under title I of the act would continue to be limited to friendly countries by provisions of that title.

The Bureau of the Budget advises that there is no objection to the submission of the proposed legislation to the Congress and that enactment of such legislation would be in accord with the program of the President.

A similar letter is being sent to the Speaker of the House of Representatives.

Sincerely yours,

E. T. BENSON, *Secretary.*

TABLE I.—Commodity composition of programs under title I, Public Law 480, agreements signed from beginning of program through Feb. 28, 1957

[In millions of dollars]

Country	Wheat	Feed grains	Rice	Cotton ¹	Tobacco	Dairy products	Fats and oils	Other	Market value	Ocean transportation	Market value including ocean transportation ²	Estimated CCC cost including ocean transportation ²
Argentina.....												
Austria.....	3.4	10.6		6.1	3.5		30.4		30.4	0.7	31.1	34.0
Brazil.....	⁴ 144.7	.9			.2	2.2	2.4	3.0	26.3	2.3	28.6	41.8
Burma.....							8.3		156.3	23.9	180.2	300.2
Chile.....	12.1			17.5	1.1	2.0		3.2	20.8	3.0	21.7	31.2
China (Taiwan).....				5.3	1.2	1.0	16.0	6	37.1	3.0	40.1	56.0
Colombia.....	5.0			5.0	1.7	1.5			9.2	.6	9.8	12.5
Costa Rica.....	2.2			7.6		.7	2.5		15.8	1.1	16.9	24.1
Ecuador.....		.3		.8	.7		3.5		7.5	.6	8.1	10.3
Egypt.....	17.1								17.1	2.5	19.6	38.7
Finland.....	6.3	2.3		5.8	6.0	.5		3.1	22.1	1.9	24.0	34.3
France.....					2.1				2.1		2.1	2.1
Germany.....									1.2		1.2	1.2
Greece.....	14.7	5.4				3.6	14.3		38.0	4.0	42.0	57.2
India ¹	200.0		26.4	70.0	6.0	3.5			305.9	8	366.1	553.4
Indonesia.....	3.0		35.8	36.0	15.0				91.8	6.0	97.8	154.0
Iran.....	9.5								10.3	2.5	12.8	21.3
Israel.....	15.8	10.1		.1	.4	4.1	3.0	9	46.4	5.2	51.6	76.6
Italy.....	1.6	10.0		65.3	8.9		30.0		115.8	4.6	120.4	161.1
Japan.....	48.6	15.4	14.4	52.8	7.7				133.9	12.6	151.5	208.1
Korea.....	8.5	15.3	22.5	9.8	6.6	1.0	1.5	10	73.2	8.4	81.6	96.8
Netherlands.....				.27					.27	.01	.28	.4
Pakistan.....	23.6		41.9	29.0	4.8	2.5	3.3		108.1	12.6	120.7	195.7
Paraguay.....	1.7					.4	.5		2.6	.4	3.0	4.3
Peru.....	8.9					.2	3.0		12.1	1.4	13.5	20.2
Portugal.....	6.3								6.3	.8	7.1	13.7
Spain ¹¹	4.6			132.9	6.2		89.6	12	161.7	15.0	176.7	199.2
Thailand.....		9.1			1.9	.46			2.36	.14	2.5	2.8
Turkey.....	52.8	18.0	1.4		27.0	.6	16.3	13	94.0	16.2	110.2	163.7
United Kingdom.....									27.0	.4	27.4	27.4
Yugoslavia.....	132.2			30.9			26.0		189.1	33.2	222.3	344.8
Total agreements.....	727.6	97.4	142.5	377.67	100.0	25.06	251.6	47.9	1,769.73	221.15	1,990.88	2,887.1

¹ Spanish program includes \$0.3 million cotton lint.² Includes only ocean transportation to be financed by CCC except as noted in footnote 8.³ Fruit.⁴ Includes \$111.0 million under fiscal year 1957 agreement to be shipped over a 3-year period.⁵ Hay and pasture seeds \$2.5 million.⁶ Poultry.⁷ 3-year program except rice, which is a 1-year program.⁸ Includes \$6 million estimated for ocean freight differential for which no rupee deposits are required. The balance, \$54.2 million, only, is reflected in the currency use table III.⁹ Dry edible beans, \$0.3 million; chilled or frozen beef, \$10 million.¹⁰ Canned pork.¹¹ Wheat to be sold to Spain for resale to Switzerland for financing procurement of Swiss goods by Spain.¹² Hams, \$1.6 million; salt pork, \$0.8 million; potatoes, \$1.4 million; frozen beef, \$15.5 million.¹³ Canned and frozen beef.

TABLE II. - Approximate quantities of commodities under title I, Public Law 480, agreements signed from beginning of program through Feb. 28, 1957

Country	Wheat and flour	Feed grains ¹	Rice	Cotton ²	Tobacco	Dairy products ³	Fats and oils ⁴	Poultry	Dry edible beans	Fruit and vegetables	Meat	Hay and pasture seeds
	Thousand bushels	Thousand bushels	Thousand hundred-weight	Thousand bales	Thousand pounds	Thousand pounds	Thousand pounds	Thousand pounds	Thousand hundred-weight	Thousand pounds	Thousand pounds	Thousand hundred-weight
Argentina	2,025	7,091		42.5	5,900	10,190	221,000					
Australia	184,974	688			125	9,682	\$ 16,552			\$ 1,974		
Brazil				125.2	1,407	9,900	\$ 53,032			\$ 1,579		
Burma	7,316			37.6	300	9,000	94,019					
China (Taiwan)				35.6	2,000	5,062	10,811					55
Colombia	2,612			48.3		3,307	14,141					
Costa Rica	1,148	189		6.0	923		27,459					
Ecuador	10,329											
Egypt	3,724	1,581		36.1	9,900	1,163				\$ 10,720		
Finland					3,216							
France												
Germany								3,000				
Greece	8,571	5,073				28,456	\$ 83,288					
India ⁵	128,000		4,409	500.0	6,000	14,770						
Indonesia	2,894		5,629	248.7	23,000							
Iran	2,120											
Israel	9,251	8,463	7	15.5	550	11,708	5,773					
Italy	9,948	6,410		453.8	11,798	14,197	19,450		37		\$ 40,000	
Japan	31,030	12,425	2,111	305.0	9,462		196,815					
Korea	5,408	13,115	3,214	50.0	12,667							
Netherlands				1.8		2,751	9,677				\$ 19,842	
Pakistan	16,019		6,636	189.5	5,317	5,105	21,159					
Paraguay	994					933	\$ 3,126					
Peru	5,014					621	22,000					
Portugal	3,751											
Spain	2,446	6,369		221.9	11,388		515,001			\$ 66,667	\$ 74,767	
Thailand					2,700	1,957						
Turkey	30,547	14,424	220			3,042	113,723				\$ 17,155	
United Kingdom					38,625							
Yugoslavia	76,566			199.7			\$ 193,916					
Total	436,287	75,828	22,226	2,517.2	145,428	122,844	1,622,502	3,000	37	80,940	151,764	55

See footnotes, p. 10.

⁶ Entire quantity shown for country is lard except Brazil, Chile, Greece, Paraguay, and Yugoslavia which includes lard as follows:

	Thousand pounds
Brazil.....	44,069
Chile.....	3,241
Greece.....	3,571
Paraguay.....	1,300
Yugoslavia.....	161,862

⁶ See the following:

Austria:	
Canned fruit and fruit juices.....	47
Dried fruit.....	1,927
Burma:	
Canned fruit and fruit juices.....	769
Dried fruit.....	810
Finland:	
Dried fruit.....	9,800
Fresh pears.....	920

⁷ Includes 65,055,000 bushels under fiscal year 1957 program to be shipped over a 3-year period.

⁸ 3-year program except rice which is a 1-year program.

⁹ Israel, frozen beef; Korea, canned pork; Spain, canned hams, 2,571, salt pork, 4,267, frozen beef, 67,920; Turkey.

¹⁰ Wheat to be sold to Spain for resale to Switzerland for financing procurement of Swiss goods by Spain.

	Thousand bushels
Feed wheat.....	1,813
Corn.....	29,442
Oats.....	5,843
Barley.....	32,935
Grain sorghums.....	5,795

Total.....75,828

² Includes 15,400 bales cotton lintners for Spain.

	Thousand pounds
Condensed milk.....	7,054
Dry whole milk.....	3,328
Nonfat dry milk.....	42,561
Evaporated milk.....	21,321
Butter.....	12,698
Cheese.....	11,521
Butter oil.....	2,835
Butter oil and/or ghee.....	15,276
Ghee.....	4,249
Whey.....	2,001

Total.....122,844

⁴ See the following:

Cottonseed oil.....	121,590
Cottonseed oil and/or soybean oil.....	773,118
Cottonseed oil, soybean oil and/or lard.....	320,151
Linseed oil.....	11,945
Lard.....	230,595
Tallow and/or grease.....	165,103

Total.....1,622,502

TABLE III.—Planned uses of foreign currency under title I, Public Law 480, agreements signed from beginning of program through Feb. 28, 1957¹

[In millions of dollars]

Country	Total amount programmed (market value including ocean transportation)	Market development (104a)	Purchase of strategic material (104b)	Military procurement (104c)	Purchase of goods for other countries ² (104d)	Grants for multilateral trade and economic development (104e)	Payment of United States obligations ³ (104f)	Loans for multilateral trade and economic development (104g)	International education exchange (104h)	Translation and publication (104i)	Information and education (104j)
Argentina	31.1	0.6			(²)		9.8	20.0	0.7		
Austria	28.6	.7			2.0		9.9	16.0			
Brazil	180.2	2.7	3.2	2.0			19.6	149.2	2.1	0.5	0.9
Burma	21.7	.5			(²)		3.9	17.3			
Chile	40.1	.8					7.0	31.7	.6		
China (Taiwan)	9.8	.7		4.9			3.4		.8		
Colombia	16.9	.8			(²)		5.5	10.0	.6		
Ecuador	8.1	.4					6.3	6.3	.4		.2
Egypt	19.6	.5			(²)		.8	13.6	.8		
Finland	24.0	.5					4.7		.3	.05	
France	2.1	1.2			.6		23.2				
Germany	1.2	1.1					.3				
Greece	42.0	1.3				7.5	.1	23.5			.5
India, 3-year program	4 360.1	4.0			(²)	54.0	9.2	234.1	1.8		
Indonesia	97.8	1.0	2.0				17.1	77.4	.3		
Iran	12.8	.2		5.9			3.3	2.5	.7		.2
Israel	51.6	.4			(²)		14.4	36.8			
Italy	120.4	2.7	1.0		² 10.0		23.3	82.4			1.0
Japan	151.5	3.3		(^b)	10.9		\$ 26.3	108.9	2.1		
Korea	81.6	.5		65.1			14.5		.9		.6
Netherlands	.28	.25					.03				
Pakistan	120.7	1.7		74.3			18.8	23.6	1.0	.3	1.0
Paraguay	3.0	.2			.5		.5	2.2	.1		
Peru	13.5	.7					2.6	9.7	.5		
Portugal	7.1	.3					3.1	3.4	.3		
Spain	176.7	3.0	1.0				62.9	107.7	1.1	.5	.5
Thailand	2.5	.4					.65	1.0	.45		
Turkey	110.2	.7					50.4	54.9	1.6	.1	2.5
United Kingdom	27.4			(^b)			\$ 27.4				
Yugoslavia	222.3	1.0		88.8			49.5	82.7		.3	
Total agreements	4 611,984.88	32.15	7.2	241.0	23.5	61.5	478.38	1,114.9	17.15	1.75	7.4
Uses as percent of total	100.0	1.6	.4	12.1	1.2	3.1	24.1	56.2	.9	.1	.3

See footnotes, p. 12.

¹ Amounts shown on this table are subject to adjustment when actual purchases and allocations have been made.

² Amounts shown in this column indicate a specified amount in the agreement for this use. Footnote 2 only shows an unspecified amount for possible procurement for 3d countries. A footnote and an amount indicate more than 1 agreement including both specified and unspecified amounts.

³ In order to provide flexibility in the use of funds, many agreements provide that a specified amount of local currency proceeds may be used under sec. 104 (a), (b), (f), (h), and (i). In some instances, possible uses under sec. 104 (d) are also included in this category. Therefore, estimates based on the best information now available are indicated above under subsec. (a), (b), (h), and (i). Balances not otherwise distributed are included under subsec. (f). This distribution is subject to revision when allocations have been completed.

⁴ Total market value in table III differs from total in table I by the \$6 million estimated for ocean freight differential in the Indian agreement for which no rupee deposits will be required.

⁵ The Japanese agreement for the July-June year 1955-56 provides for the use of \$8.1 million and the United Kingdom agreements provide for the entire currency use under subsec. 104 (e). However, since in return for this currency use, these countries will construct and make available to the U. S. Armed Forces an equivalent value of dependent housing, the amounts are shown under 104 (f).

⁶ In some instances column totals do not add to total amount programmed because of slight differences in rounding.

CHANGES IN EXISTING LAW

In compliance with subsection (4) of rule XXIX of the Standing Rules of the Senate, changes in existing law made by the bill, as reported, are shown as follows (existing law proposed to be omitted is enclosed in black brackets, new matter is printed in italics, existing law in which no change is proposed is shown in roman):

AGRICULTURAL TRADE DEVELOPMENT AND ASSISTANCE ACT OF 1954

TITLE I—SALES FOR FOREIGN CURRENCY

* * * * *

See. 103.

* * * * *

(b) Transactions shall not be carried out under this title which will call for appropriations to reimburse the Commodity Credit Corporation, pursuant to subsection (a) of this section, in amounts in excess of **[\$3,000,000,000.]** *\$4,000,000,000.* This limitation shall not be apportioned by year or by country, but shall be considered as an objective as well as a limitation, to be reached as rapidly as possible so long as the purposes of this Act can be achieved within the safeguards established.

* * * * *

SEC. 109. No transactions shall be undertaken under authority of this title after June 30, **[1957]** *1958*, except as required pursuant to agreements theretofore entered into pursuant to this title.

* * * * *

TITLE II—FAMINE RELIEF AND OTHER ASSISTANCE

* * * * *

SEC. 203. Not more than **[\$500,000,000]** *\$800,000,000* (including the Corporation's investment in the commodities) shall be expended for all such transfers and for other costs authorized by this title. The President may make such transfers through such agencies including intergovernmental organizations, in such manner, and upon such terms and conditions as he deems appropriate; he shall make use of the facilities of voluntary relief agencies to the extent practicable. Such transfers may include delivery f. o. b. vessels in United States ports and, upon a determination by the President that it is necessary to accomplish the purposes of this title or of section 416 of the Agricultural Act of 1949, as amended, ocean freight charges from United States ports to designated ports of entry abroad may be paid from funds available to carry out this title on commodities transferred pursuant hereto or donated under said section 416. Funds required for ocean freight costs authorized under this title may be transferred by the Commodity Credit Corporation to such other Federal agency as may be designated by the President.

SEC. 204. No programs of assistance shall be undertaken under the authority of this title after June 30, **[1957]** *1958*.

* * * * *

【SEC. 304. The President shall exercise the authority contained herein (1) to assist friendly nations to be independent of trade with the U. S. S. R. or nations dominated or controlled by the U. S. S. R. for food, raw materials and markets, and (2) to assure that agricultural commodities sold or transferred hereunder do not result in increased availability of those or like commodities to unfriendly nations.】

○

Digest of CONGRESSIONAL PROCEEDINGS

OF INTEREST TO THE DEPARTMENT OF AGRICULTURE

Issued April 2, 1957

For actions of April 1, 1957

85th-1st, No. 56

OFFICE OF BUDGET AND FINANCE
(For Department Staff Only)

CONTENTS

Acreage allotments.....2	Insect control.....1	Small business.....9,18
Adjournment.....26	Inventions.....6	Statehood.....20,35
Air pollution.....37	Labor, farm.....23	Stockpiling.....2,17
Appropriations.....5,27	Lands.....21,38,39	Student exchange.....10
Budget.....5,11,25,27	Legislative program.....25	Surplus disposal.....10
Coconut oil.....33	Loans, farm.....3	Surplus property.....34
Cotton.....2,31	housing.....41	Taxation.....27
Drought relief.....15	Monopolies.....8,13	Territories.....20
Electrification.....12	Plant pests.....1	Tobacco.....29
Expenditures.....30	Postal service.....40	Trade, foreign.....10
Farm program.....31,32	Poultry.....24	Transportation.....19
Flood control.....15,16	Price supports.....2	Textiles.....22
Food processing.....8	Public Law 480.....10	Veterans.....7
Foreign aid.....30	Reclamation.....16	Water resources.....14,15
Forestry.....21,39	Research.....32	Watershed.....36
Humane slaughter.....38	Reorganization.....4	Weather.....37

HIGHLIGHTS: Senate passed bill to extend Public Law 480. Senate committee reported corn bill. House committee reported plant pests control bill. House passed bill to extend FHA loans to desertland entrymen. House subcommittee ordered reported bill to revise price support for upland cotton, increase acreage allotments for cotton, extend 1956 price supports for extra long staple cotton, and sell long staple cotton from stockpile. Both Houses received President's recommendation to continue Reorganization Act. House debated Labor-HEW appropriation bill.

HOUSE

1. INSECT CONTROL. The Agriculture Committee reported with amendment H.R. 3476, to facilitate the regulation, control, and eradication of plant pests (H. Rept. 289). p. 4422
2. COTTON. The Cotton Subcommittee of the Agriculture Committee ordered reported to the full committee the following bills: (p. D269)
 - H.R. 3654, to amend the Agricultural Act of 1949 so as to continue the price support for extra long staple cotton at the 1956 rate;
 - H. J. Res. 172, providing for the withdrawal and transfer of 50,000 bales of domestically grown extra long staple cotton from the critical stockpile to CCC for sale;
 - H.R. 5734, to increase the 1957 acreage allotments for cotton by 154,321 bales;
 - H.R. 2461, providing that the level of price support for upland cotton shall be determined on the basis of the parity price for upland cotton as of June 1 prior to the beginning of the marketing year, and the supply percentage for upland cotton as of the beginning of the marketing year shall be finally determined between June 1 and June 15, inclusive.

3. FARM LOANS. Passed without amendment H.R. 3988, to amend the Bankhead-Jones Farm Tenant Act so as to provide more flexibility in refinancing loans by permitting the inclusion of personal property in determining eligibility for refinancing loans. pp. 4354-55
Passed over, at the request of Rep. Marshall, H.R. 3753, to enable this Department to extend financial assistance to desert-land entrymen to the same extent as such assistance is available to homestead entrymen. p. 4355
4. REORGANIZATION PLANS. Both Houses received a message from the President recommending the enactment of legislation to extend for 4 years the period within which the President is authorized to prepare and transmit to Congress plans for the reorganization of executive agencies (H. Doc. 145); to Government Operations Committees. pp. 4297, 4353
5. APPROPRIATIONS. Continued debate on H.R. 6287, the Labor-HEW appropriation bill for 1958. pp. 4388-4413, 4414
Rep. Byrd called for a reduction in the Federal budget and inserted a speech on the matter. pp. 4419-21
6. INVENTIONS. Passed over, on objections by Reps. Schenck, Cunningham, and Wright, H.R. 103; to authorize the National Inventors Council to make awards for inventive contributions relating to the national defense. p. 4353
7. VETERANS. Passed, under suspension of the rules, H.R. 53, to consolidate into one act, and to simplify and make more uniform, the laws administered by the Veterans' Administration. pp. 4357-86
8. MONOPOLIES. Rep. Patman spoke in favor of H.R. 11, providing for the submission of burden of proof in price-discrimination cases under the Robinson-Patman Act, and cited the support of small food processors, canners, and small dairy processors for the bill. pp. 4417-19
9. SMALL BUSINESS. Received from the Small Business Admin. a proposed bill to establish that agency on a permanent basis; to Banking and Currency Committee. p. 4422

SENATE

10. FOREIGN TRADE; SURPLUS DISPOSAL. Passed without amendment S. 1314, to extend the Agricultural Trade Development and Assistance Act of 1954 (Public Law 480) one year, to increase the authorization under Title I from \$3 billion to \$4 billion, to authorize \$300 million additional under Title II for famine relief, and to delete the restrictions on barter with Communist-dominated nations. Defeated, by a 23-54 vote (p. 4345), an amendment by Sen. Knowland to strike the section deleting the restrictions on barter with Communist-dominated states. Sen. Ellender discussed the uses of Public Law 480 funds, and inserted the fifth semi-annual report on the operations of the program and charts concerning the shipment of goods to various countries, and urged restrictions on all types of foreign aid (pp. 4326-32). Sen. Thye urged the value of the student exchange program (pp. 4331-2). Sens. Ellender, Aiken, and Johnston discussed the proposed repeal of the restrictions on barter with Communist nations and inserted Assistant Secretary Butz's report of Mar. 26 on this deletion (pp. 4332-4). Sen. Knowland urged adoption of his amendment to prevent the use of our surplus to support Soviet satellites, and inserted a Soviet resolution proposed to the General Assembly of the UN, criticizing the U. S. for "subversive activities" in other States (pp. 4334-9).

Sens. Cotton, Young, Thye, Cooper, Butler, Stennis, Russell, Javits, Aiken, Holland, and Humphrey discussed such barter arrangements. Inserted was a news release by Sen. Humphrey favoring such trade, a telegram urging loans in the form of food and raw materials for Poland and a letter urging economic assistance for Poland, both from Polish groups in the U.S., and an article on the subject from the New York Times (pp. 4342-5). pp. 4322-3, 4326-45

11. BUDGETING. Sen. Symington stated that lack of strategic doctrine on how to defend this nation led to waste in budgeting, and inserted an article on the importance of organization in utilizing our power. pp. 4306-7

Made its unfinished business S. 1585, to provide for a Joint Committee on the Budget: p. 4346

12. ELECTRIFICATION. Received an Ore. Legislature resolution urging immediate construction of the John Day project. p. 4298

Sen. Humphrey inserted a resolution from the West Central Telephone Ass'n, Minn., urging an investigation of the delay in delivery of central equipment bought from an REA-approved supplier. pp. 4302-3

Sen. Morse discussed the Supreme Court's denial of appeal from the decision of the Circuit Court affirming the Federal Power Commission's grant of a license for three low-head dams in Hells Canyon. He contended the President "had rigged the Commission," and that, to prevent a sellout to big-business private utility interests, Congress should pass the high Hells Canyon bill before it. pp. 4350-1

13. MONOPOLY. Sen. Dirksen inserted a series of statements by the Federal Trade Commission before the Antitrust and Monopoly subcommittee, on bills to restrict the use of the defense of good faith in charges of price discrimination under the Clayton Act or the Robinson-Patman Act. pp. 4310-15

14. WATER RESOURCES. Sen. Morse inserted his speech on water pollution abatement before the Southern Municipal and Industrial Waste Conference, in which he urged multi-purpose comprehensive development of river basins as one of the most important means in attaining a balanced development and utilization of water resources. pp. 4348-50

15. WATER RESOURCES; DROUGHT RELIEF. S. Rept. 168 on S. 497, the omnibus flood control bill which recently was passed by the Senate, includes the following statement:

"Water supply is of vital importance to the maintenance of our economy and to the development of our country. Drought periods in various sections of the country have made it apparent that the water supplies of the Nation for domestic, industrial, and agricultural use are limited. A careful look to the future reveals the fact that water must be conserved on a major scale and managed wisely to meet needs of future generations. In past years, shortage of water supply was generally thought to be limited to the arid West, but the water situation is now very acute in the Southwest, and is becoming critical in the normally humid East.

"In the next 25 years the situation is certain to become much more serious as our population increases; as agricultural uses for water create a greater demand; and as the requirements of an expanding industry continue to skyrocket. New technological demands, such as vast quantities of water required for atomic-energy plants as atomic power expands, as air-conditioning installations multiply, indicate a heavy increase in water demands. These problems far exceed those of providing relatively small resources for municipal water supply.

"The committee believes that the plans for all projects should provide for development of water supplies for all purposes, and that States and local interests should pay the cost allocated to water supply.

"This section declares the policy of Congress to recognize the responsibility of local entities in developing water supplies, and that the Federal Government should participate and cooperate in such development. The committee has amended the section to make it applicable to both Corps of Engineer and Bureau of Reclamation reservoirs.

"Subsection (a) would permit the Federal agencies to incorporate storage in reservoirs for low-flow augmentation under certain conditions and with certain restrictions. This is a much needed provision to permit the optimum development of the Nation's water resources and will correct the present situation which sometimes results in the construction of reservoirs which do not take full advantage of the potentiality of the stream flow. Release of the provided storage to increase low flows downstream would not require reimbursement when the benefits are widespread and general.

"Subsection (b) provides for inclusion of planned storage in Federal reservoirs projects, existing, surveyed, or to be constructed, for present or anticipated future demand for municipal or industrial water supply, and provides for equitable reimbursement to the United States when a contract is made for the use of water. The entire amount allocated to water supply is to be repaid within the economic life of the project, not to exceed 50 years, at established interest rates. The committee feels that the provisions of this section should be applicable to projects previously authorized to include storage for water-supply purposes, where such authorization provides for lump-sum payments in advance of the availability of the water for such use."

The bill also provides for a 5-year program to eliminate the water hyacinth and other obnoxious growth from water along the southeastern and gulf coasts.

16. RECLAMATION. Sen. Anderson asked that the record be corrected concerning statements he made during consideration of S. J. Res. 39, to construct additional irrigation projects for the Pecos River Basin. p. 4297

Both Houses received a Colo. Legislature resolution urging completion of soil classification projects to permit construction of the Paonia project. pp. 4299-4300

Sen. Anderson inserted a N. Mex. Legislature resolution urging construction of a flood control and irrigation dam at Frisco dam site, on the San Francisco River, N. Mex. pp. 4301-2

17. STOCKPILING. Both Houses received a report from the Defense Department on the National Industrial Reserve. pp. 4298, 4422

Received a confidential statistical supplement stockpile report for Jan.-June 1956, from the Office of Defense Mobilization. p. 4298

18. SMALL BUSINESS. Received from the Small Business Administration a proposed bill to amend the Small Business Act of 1953; to Banking and Currency Committee. p. 4298

19. TRANSPORTATION. Received a Wash. Legislature resolution urging repeal of the taxes on transportation. pp. 4298-9

20. TERRITORIES. Received an Alaska House resolution urging Congress to grant part of all fines collected by Federal courts in Alaska to the Territory for law enforcement purposes. p. 4301

Sen. Javits inserted a resolution from the N. Y. State Junior Chamber of Commerce urging statehood for Hawaii and Alaska. p. 4302

Mr. RUSSELL. Certainly.

Mr. McCARTHY. As I understood the Senator from Georgia, he stated that the vote in the committee was 12 to 0 that Zwicker did not commit perjury. Am I correct in my understanding—if I am not, I should certainly like to be corrected—that 2 of the Senators present and voting, while they voted to confirm the nomination, expressed the opinion that Zwicker was guilty of lying before the committee, but that they felt other facts outweighed that consideration?

Mr. RUSSELL. The Senator from Wisconsin will have to ask questions of those Senators themselves. I shall not undertake to stand upon the floor of the Senate and explain their statements made in the committee.

I will say for myself that if I had been convinced that Zwicker had been guilty of perjury in this matter, and if I thought pressures might have been put on him, I would have voted against the confirmation of his nomination.

I was deeply concerned about the matter when it first arose. I went into it and came to the inescapable conclusion that there was nothing in the record which would have stood for 2 minutes in a court of law to indicate that there was evidence of perjury on the part of Zwicker. Indeed, the committee would have been subject to very severe criticism if it had taken any action other than that which did take.

Mr. McCARTHY. Mr. President, will the Senator from Georgia yield once more?

Mr. RUSSELL. Yes, although the Senator from Mississippi [Mr. STENNIS] has the floor.

Mr. McCARTHY. I think this matter is extremely important. The Senator from Georgia is the chairman of the committee. He has told the Senate that the vote was 12 to 0 that Zwicker was not guilty of perjury. I think the Senator from Georgia owes it to the Senate to state whether or not it is true that at least 2, and I am informed perhaps 3, Senators who voted for the confirmation of Zwicker's nomination said that Zwicker was guilty of perjury.

If I may ask 2 questions, I shall ask the Senator why Olney, in the Criminal Division, held the matter for 19 months, and then did not write to say that Zwicker was guilty of perjury, but said that for technical reasons it was felt the Government could not prosecute. Could the Senator state why Olney was not called before the committee to state what the technical reasons were?

I myself think it is a tremendous reflection upon the Army, when there was a clear-cut case of perjury. It could not be anything else. There was the monitored telephone conversation. There was a United States attorney, who sat on the case for 19 months, and then said, "I am giving it up only for technical reasons."

Here we have Senators who have voted in committee to confirm the nomination but who have said they thought Zwicker was lying. I believe it is in the nature of a reflection upon the Senate. I think

the able Senator from Georgia might comment on that.

Mr. RUSSELL. No; I have no desire whatever to comment on the remarks of the Senator from Wisconsin, Mr. President. The committee went into the matter with the idea and hope of being able to establish some general facts, and not with the idea of either creating or confirming mere suspicion.

Mr. ERVIN. Mr. President, as the Senator from Wisconsin has said, I did make a statement when the matter was heard before the Committee on Armed Services that, so far as I was concerned, we were plowing old ground.

I had heard the evidence before, because I sat with the Senator from Wisconsin on the Permanent Subcommittee on Investigation when it investigated the Percss matter. Indeed, I have heard General Zwicker testify three times, counting the hearing before the Armed Services Committee.

The Senator from Wisconsin stated very accurately and very forcefully the testimony which was given at the hearing before the Permanent Subcommittee on Investigations and also before the Committee on Armed Services.

I have spent much time listening to witnesses. I have learned that there is often great inaccuracy in the recollection of witnesses. As the Senator from Wisconsin has made plain, there was a direct conflict between the testimony given by Mr. Anastos and Miss Morrill, and that given by General Zwicker. If I had drawn the inference which the Senator from Wisconsin drew from that conflict of testimony, I would have voted against the promotion of General Zwicker. However, I made an appraisal of the evidence, and reached the abiding conviction that the testimony of General Zwicker in denial of the testimony of the other two witnesses is true. In saying that, I do not reflect in any way upon the other two witnesses.

I think this is, in all probability, a case of honest mistake arising out of the fallible recollections of witnesses. The testimony showed beyond all doubt that before Mr. Anastos called General Zwicker, he had received information concerning Major Peress, although he did not know 'Major Peress' name. Mr. Anastos called General Zwicker and stated to General Zwicker, so General Zwicker testified, certain of the information he, Anastos, had received. The information was so accurate that it enabled General Zwicker to identify the person to whom Mr. Anastos was referring as Major Peress.

I think that in all probability when Mr. Anastos dictated the memorandum to Miss Morrill, he inserted in the memorandum both the information he had acquired before he called General Zwicker and the information he received from General Zwicker. General Zwicker, as I recall, testified that in that conversation he did give information from the personnel file to Mr. Anastos.

As I say, there was a conflict in evidence. Several conclusions can be drawn from the testimony. One can draw the inference that one witness or

another had testified untruthfully. One could also draw the inference from the testimony that the discrepancy in the testimony of the witnesses was due to the fallability of human recollection. There are many good persons who disagree in their testimony.

I call attention to the substantial disagreements among the writers of the Four Gospels. I wish to read from the King James version of the Bible the accounts which the writers of the Synoptic Gospels gave concerning the legend which was written over the cross on which the Savior was crucified. If Senators will follow my reading, they will see that each 1 of the 4 Evangelists gave different testimony on that point.

I read first from the 27th chapter of St. Matthew's Gospel, the 37th verse:

And set up over His and His accusation written, This is Jesus the King of the Jews.

In the Gospel according to St. Mark, chapter 15, the 26th verse reads as follows:

And the superscription of His accusation was written over, The King of the Jews.

I now turn to the Gospel according to St. Luke, and find these words in chapter 23, the 38th verse:

And a superscription also was written over Him in letters of Greek, and Latin, and Hebrew, This is the King of the Jews.

The Gospel according to St. John, chapter 19, verse 19, contains this account relating to the same fact:

And Pilate wrote a title, and put it on the cross. And the writing was, Jesus of Nazareth the King of the Jews.

Mr. President, we observe that all 4 accounts on that point, as contained in the 4 Gospels, differ. If such great and good men as the writers of the Gospels can honestly disagree in their testimony concerning the same fact, then it is quite possible that Mr. Anastos, Miss Morrill, and General Zwicker could quite honestly disagree. That is the conclusion I reached.

As I have said, I was convinced that General Zwicker was telling the truth about the matter; and that the testimony of the other witnesses was in error, due to a confusion of the information which Mr. Anastos already had with the information he got from General Zwicker. That being true, I came to the conclusion that no perjury was committed by anyone; and that in view of the distinguished career General Zwicker had had in the service of his country, he was entitled to this promotion.

Mr. McCARTHY. Mr. President, will the Senator from North Carolina yield?

Mr. ERVIN. Yes, Mr. President; I am delighted to yield to the Senator from Wisconsin.

Mr. McCARTHY. The Senator from North Carolina is a very able lawyer. After the committee voted unanimously to send that record to the Department of Justice, because of perjury, and after the criminal division—after constant week after week, urging by the Senator from Arkansas [Mr. McCLELLAN] that they do something about it, one way or the other—had sat on it for 19 months, and

when they did not say Zwicker was guilty of perjury, but said, "Because of technical difficulties, we feel it not wise to prosecute," does not the Senator from North Carolina, as a lawyer, believe that before this body is asked to act one way or the other on the nominations, it should know what the technical difficulties are, and whether those in the Department felt Zwicker was guilty of perjury? They had 2 Army colonels working for approximately 2 years on the case. They must have had some information.

Does not the Senator from North Carolina believe that we should call him before the committee, and have him give an accounting, before we vote on these nominations?

Mr. ERVIN. Mr. President, I reply to the distinguished Senator from Wisconsin by stating that I do not think so, because the responsibility for passing on this matter rested upon the members of the Senate Armed Services Committee, rather than upon Mr. Olney. I had to pass on it according to my own judgment as to what the testimony showed. On that point, I do not believe the opinion of the Assistant Attorney General, Mr. Olney, would have been of any assistance to me.

The PRESIDING OFFICER. The question is, Will the Senate advise and consent en bloc to these nominations?

Mr. JOHNSON of Texas. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The absence of a quorum having been suggested, the clerk will call the roll.

The legislative clerk called the roll, and the following Senators answered to their names:

Alken	Green	Monroney
Allott	Hayden	Morton
Anderson	Hennings	Mundt
Barrett	Hickenlooper	Murray
Beall	Hill	Neuberger
Bible	Holland	O'Mahoney
Bush	Hruska	Pastore
Butler	Humphrey	Payne
Capehart	Ives	Potter
Carlson	Jackson	Purtell
Carroll	Javits	Robertson
Case, N. J.	Johnson, Tex.	Russell
Case, S. Dak.	Johnston, S. C.	Saltonstall
Chavez	Kefauver	Smith, Maine
Church	Knowland	Sparkman
Clark	Kuchel	Stennis
Cooper	Magnuson	Symington
Cotton	Malone	Thurmond
Curtis	Mansfield	Thye
Dirksen	Martin, Iowa	Watkins
Douglas	Martin, Pa.	Wiley
Ervin	McCarthy	Williams
Frear	McNamara	Young

The PRESIDING OFFICER. A quorum is present.

Under the previous order, the pending nominations are to be voted on en bloc.

The question is, Will the Senate advise and consent to the nominations?

On this question, the yeas and nays have been ordered, and the clerk will call the roll.

The legislative clerk called the roll.

Mr. MANSFIELD. I announce that the Senator from Texas [Mr. BLAKLEY], the Senator from Virginia [Mr. BYRD], the Senator from Arkansas [Mr. FULBRIGHT], the Senator from Tennessee [Mr. GORE], the Senator from Massachusetts [Mr. KENNEDY], the Senator from Oklahoma [Mr. KERR], the Senator from Ohio [Mr. LAUSCHE], the Senator from Louisiana [Mr. LONG], the Sen-

ator from Arkansas [Mr. McCLELLAN], the Senator from Oregon [Mr. MORSE], the Senator from North Carolina [Mr. SCOTT], the Senator from Florida [Mr. SMATHERS], and the Senator from Georgia [Mr. TALMADGE] are absent on official business.

The Senator from West Virginia [Mr. NEELY] is absent because of illness.

I further announce that if present and voting the Senator from Arkansas [Mr. FULBRIGHT], the Senator from Tennessee [Mr. GORE], the Senator from Massachusetts [Mr. KENNEDY], the Senator from Oklahoma [Mr. KERR], the Senator from Ohio [Mr. LAUSCHE], the Senator from Louisiana [Mr. LONG], the Senator from Oregon [Mr. MORSE], the Senator from West Virginia [Mr. NEELY], the Senator from North Carolina [Mr. SCOTT], the Senator from Florida [Mr. SMATHERS] would each vote "Yea."

Mr. DIRKSEN. I announce that the Senator from Utah [Mr. BENNETT], the Senator from New Hampshire [Mr. BRIDGES], the Senator from Vermont [Mr. FLANDERS], the Senator from Arizona [Mr. GOLDWATER], and the Senator from New Jersey [Mr. SMITH] are necessarily absent.

The Senator from North Dakota [Mr. LANGER] is absent because of illness.

The Senator from Ohio [Mr. BRICKER], the Senator from Indiana [Mr. JENNER], the Senator from West Virginia [Mr. REVERCOMB], and the Senator from Kansas [Mr. SCHOEPPPEL] are detained on official business.

If present and voting the Senator from New Jersey [Mr. SMITH] would vote "Yea."

The result was announced—yeas 70, nays 2, as follows:

YEAS—70		
Alken	Ervin	Morton
Allott	Frear	Mundt
Anderson	Green	Murray
Barrett	Hayden	Neuberger
Beall	Hennings	O'Mahoney
Bible	Hickenlooper	Pastore
Bush	Hill	Payne
Butler	Holland	Potter
Capehart	Hruska	Purtell
Carlson	Humphrey	Robertson
Carroll	Ives	Russell
Case, N. J.	Jackson	Saltonstall
Case, S. Dak.	Javits	Smith, Maine
Chavez	Johnson, Tex.	Sparkman
Church	Johnston, S. C.	Stennis
Clark	Kefauver	Symington
Cooper	Knowland	Thurmond
Cotton	Kuchel	Thye
Curtis	Magnuson	Watkins
Dirksen	Mansfield	Wiley
Douglas	Martin, Iowa	Williams
Dworshak	Martin, Pa.	Young
Eastland	McNamara	
Ellender	Monroney	

NAYS—2

Malone McCarthy

NOT VOTING—24

Bennett	Gore	Morse
Blakley	Jenner	Neely
Bricker	Kennedy	Revercomb
Bridges	Kerr	Schoeppel
Byrd	Langer	Scott
Flanders	Lausche	Smathers
Fulbright	Long	Smith, N. J.
Goldwater	McClellan	Talmadge

So the nominations were confirmed en bloc.

Mr. JOHNSON of Texas. Mr. President, I ask that the President be immediately notified of the confirmations.

The PRESIDING OFFICER. Without objection, the President will be notified forthwith.

LEGISLATIVE SESSION

Mr. JOHNSON of Texas. Mr. President, I move that the Senate resume the consideration of legislative business.

The motion was agreed to; and the Senate resumed the consideration of legislative business.

AGRICULTURAL TRADE DEVELOPMENT AND ASSISTANCE ACT OF 1954

Mr. JOHNSON of Texas. Mr. President, I ask unanimous consent that the Chair lay before the Senate the unfinished business.

The PRESIDING OFFICER. Without objection, the Chair lays before the Senate the unfinished business.

The Senate resumed the consideration of the bill (S. 1314) to extend the Agricultural Trade Development and Assistance Act of 1954, and for other purposes.

Mr. KNOWLAND. Mr. President, I offer the amendment which I have sent to the desk and ask that it be made the pending amendment.

The PRESIDING OFFICER. The amendment offered by the Senator from California will be stated.

The LEGISLATIVE CLERK. It is proposed, on page 2, strike out all of line 4.

Mr. KNOWLAND. Mr. President—

The PRESIDING OFFICER (Mr. CHURCH in the chair). The Senator from California.

Mr. KNOWLAND. Mr. President, the only controversy, so far as I know, on the bill will be this amendment which I am offering, to strike out the last line in the bill, which line would delete section 304 of the act.

On this amendment I ask for the yeas and nays, so that all Senators will be on notice.

The yeas and nays were not ordered.

Mr. KNOWLAND. Mr. President, I should like to ask for the yeas and nays on this amendment again.

The PRESIDING OFFICER. The yeas and nays have been asked for again. There is a sufficient second, and the yeas and nays are ordered.

Mr. KNOWLAND. Mr. President, this amendment merely strikes out line 4, on page 2, of Senate bill 1314, which reads:

(4) Section 304 of such act is deleted.

From a simple statement of its language, the amendment perhaps would not appear to be particularly important. I realize there is an honest difference of opinion as to the public policy involved, but I wish to invite attention to the fact that section 304, which it is proposed to delete but which would remain in the law if my amendment should be agreed to, reads as follows:

SEC. 304. The President shall exercise the authority contained herein (1) to assist friendly nations to be independent of trade with the U. S. S. R. or nations dominated or controlled by the U. S. S. R. for food, raw materials and markets, and (2) to assure that agricultural commodities sold or transferred hereunder do not result in increased availability of those or like commodities to unfriendly nations.

That is the language which it is proposed to delete. I shall debate the

amendment at a later date, but I wished to put all Senators on notice concerning the purport of the amendment.

ANALYSIS OF REPORT OF SUBCOMMITTEE ON PRIVILEGES AND ELECTIONS OF THE COMMITTEE ON RULES AND ADMINISTRATION RELATING TO CAMPAIGN EXPENDITURES AND CONTRIBUTIONS IN THE 1956 GENERAL ELECTION

Mr. MANSFIELD. Mr. President, in the CONGRESSIONAL RECORD for Thursday, March 28, 1957, on pages A2533-A2534 of the Appendix, there appears under the extension of remarks of the Honorable RICHARD M. SIMPSON, of Pennsylvania, reference to three articles written by Raymond Moley. These articles were published by the Waterbury Republican, February 22, 1957, and by Newsweek magazine on March 4 and again on March 11, 1957.

In the CONGRESSIONAL RECORD of March 29, 1957, appearing on pages 4272-4295, are alleged analyses of the report of the Subcommittee on Privileges and Elections relating to campaign contributions and expenditures in the 1956 general election, and remarks pertaining thereto by the distinguished senior Senator from Kansas [Mr. SCHOEPPPEL], the distinguished junior Senator from Nebraska [Mr. CURTIS], the distinguished junior Senator from Arizona [Mr. GOLDWATER] and the distinguished junior Senator from Minnesota [Mr. HUMPHREY].

Mr. President, I might add at this time that the offices of all these Senators have been notified of my intention to make these remarks this afternoon.

The article which appeared in the Waterbury Republican and Newsweek magazine by Mr. Moley and the statement in the CONGRESSIONAL RECORD, by Senator SCHOEPPPEL, chairman of the National Republican Senatorial Campaign Committee, and which fills some 16 pages of the CONGRESSIONAL RECORD, all relate to the subcommittee's report on campaign contributions and expenditures during the 1956 general election campaigns, and purport to point out glaring flaws, omissions, misrepresentations, and other errors tending, according to the authors of these writings and statements, to mislead the American public concerning the source of campaign contributions and the manner in which expenditures were made, and to bring discredit upon the Republican Party.

The distinguished senior Senator from Kansas has submitted a statement after weeks of study of the subcommittee report, and he has charged that errors which appear in the report render it of very doubtful value. Mr. Moley, likewise, prepared his articles after a private study of the subcommittee report.

In neither case was information obtained to refute the findings of the subcommittee from any source except the report itself.

Shortly after the March 4 edition of the Newsweek magazine was distributed, I received a letter from Mr. and Mrs. F. W. Laverty of Fort Worth, Tex., who referred to the article by Mr. Moley, and asked for

my views concerning Mr. Moley's criticism. The text of that letter is as follows:

Fort Worth, Tex., March 4, 1957.

Hon. MIKE MANSFIELD,
Washington, D. C.

DEAR SENATOR: My husband and I have long been an admirer of yours; we felt that you were honest and courageous. Enclosed is an article from Newsweek written by Raymond Moley, who, I understand, is an authority in his field. In this article, he questions your judgment, as well as your integrity.

We would be interested in your views on this article.

Yours very truly,

Mr. and Mrs. F. W. LAVERTY.

On March 12, 1957, I mailed an answering letter to the Lavertys and answered not only the article which appeared in the Newsweek magazine of March 4, 1957, but also a subsequent one which appeared on March 11, 1957. The text of my letter is as follows:

MARCH 12, 1957.

Mr. and Mrs. F. W. LAVERTY,
Fort Worth, Tex.

DEAR MR. AND MRS. LAVERTY: I have read the article by Mr. Raymond Moley which appeared in the March 4 edition of Newsweek magazine and which you enclosed with your letter of the same date. A subsequent article by the same author appears in Newsweek magazine of March 11, dealing with the same subject—the report of the Subcommittee on Privileges and Elections on the 1956 general election.

I will not comment on the editorial policy of Mr. Moley, but a thorough review of the activities of the subcommittee during the 1956 campaign, and a study of its report should reveal to any interested and impartial observer that the work of the subcommittee was completely bipartisan and objective in all of its functions. Further, all of the actions of the subcommittee were performed with the unanimous consent of its members. Not until the report was finally published was there a dissenting opinion voiced.

Toward the end of August 1956, the subcommittee unanimously agreed to conduct a thorough investigation into campaign finances on the Federal level, and, as far as practicable, on the State level. Subcommittee questionnaires were prepared and after approval by the committee, were mailed to all senatorial candidates, political committees, labor unions, and other political organizations whose names and addresses were capable of being ascertained through all possible sources. The subcommittee requested all of these individuals and groups to report concerning cash on hand, contributions received, expenditures made, of whatever nature, during the 1956 campaign. Reports received from national committees and other national organizations covered the entire year. Reports from State and local organizations were for a lesser period of time because it was not possible to canvass the entire field during the limited time available to the subcommittee.

The reports which were received from all sources were signed and duly sworn to, or affirmed by the candidates themselves or by responsible officers of the committees or other organizations. From these sworn reports which were received by the subcommittee and from the sworn reports received by the Clerk of the House of Representatives and by the Secretary of the United States Senate, the subcommittee obtained the information which is disclosed in its report on the 1956 general election.

There are no allegations or insinuations anywhere in the report of the subcommittee to the effect that any person, corporation, labor union, or other organization or asso-

ciation gave contributions or made expenditures or attempted in any way to influence the result of an election or elections, unless the person, corporation, labor union, or other organization did in fact do so as reported in the sworn statements so filed.

The report selected certain groups and disclosed contributions and expenditures by persons associated with such groups, and where persons were known to be associated with more than one group or corporation or labor union, such persons were named and their contributions or expenditures listed. In almost every case, the total of contributions or expenditures was properly noted, so that the overall total of contributions and/or expenditures does not include duplications or repetitions in any manner. Because of the mass of material and figures gathered during this initial inquiry, it was not possible to avoid some errors, but these were inadvertent, and not due to any willful or deliberate attempt to mislead.

Contributions and expenditures to or by the Democratic Party, the Republican Party, and other miscellaneous parties are all faithfully reproduced in the report with the sole intent of disclosing the picture of campaign financing accurately and objectively without intent to focus improper attention on any party, person, or other organization.

The study which was conducted by the subcommittee during the 1956 campaign was the first effort of any Senate body to obtain as fully as possible information on the activities and finances of all candidates, all committees, and all other organizations or associations during a general election. Because of the magnitude of this undertaking and the limited time during which the investigation was conducted, as well as the fact that it was the first of its kind, the subcommittee readily admits that its report is no infallible. The report states that not every person, committee, or other organization or association which was active during the 1956 campaign was contacted by the subcommittee, or filed a report, and the total figures for contributions and expenditures, as reported, are not necessarily the complete totals for the year 1956.

However, within the power and jurisdiction of the subcommittee, the very best job possible was accomplished, and it is the sincere wish of the subcommittee that its efforts will lead to improvements in existing legislation, and a more complete and detailed disclosure of campaign finances in the future.

Thank you for your interest in this matter and for calling my attention to the article which you forwarded. I hope that I have been able to answer your questions to your satisfaction.

Sincerely yours,

MIKE MANSFIELD,
Chairman, Subcommittee on Privileges
and Elections.

On page 4289 of the CONGRESSIONAL RECORD of Friday, March 29, 1957, the distinguished junior Senator from Nebraska [Mr. CURTIS] pointed out that he had received a letter from the president of the American Bar Association commenting on the listing in the subcommittee report of contributions by individuals belonging to selected special groups, including the American Bar Association.

Mr. President, the president of the American Bar Association, Mr. David F. Maxwell, on March 19, 1957, wrote to me as chairman of the Subcommittee on Privileges and Elections with respect to the listing of individuals identified with business and professional groups who contributed \$5,000 or more during the 1956 campaigns. A copy of Mr. Max-

well's letter was sent to the Senator from Nebraska [Mr. CURTIS], and I assume it was this letter to which the Senator referred in his remarks.

I ask unanimous consent that the text of the letter received from Mr. Maxwell be printed in the RECORD at this point as a part of my remarks.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

AMERICAN BAR ASSOCIATION,
March 19, 1957.

HON. MIKE MANSFIELD,
Chairman, Subcommittee on Privileges
and Elections, United States Senate,
Washington, D. C.

DEAR SENATOR MANSFIELD: In the February 15, 1957, issue of the news magazine U. S. News & World Report there appeared an article on 1956 election-campaign contributions based upon information in the report of the Subcommittee on Privileges and Elections of the Senate Committee on Rules and Administration.

One of the categories of contributions was headed in large type "Contributions to the two political parties by business and professional people" and in smaller type "Individuals identified with business and professional groups who contributed \$500 or more each in the 1956 campaign are listed in the Senate Elections Subcommittee report. The contributions." Under this heading the name of the American Bar Association appeared followed by figures indicating contributions of \$5000 to the Republican and \$2500 to the Democratic National Committees.

Actually these were purely individual gifts of six men who happen to be members of the American Bar Association. But many of our members and others who read this article concluded the American Bar Association had made these contributions as evidenced by the number of letters of protest I received. This misunderstanding is unfortunate because the American Bar Association is of course a voluntary service organization of the legal profession which not only is strictly nonpartisan in all its operations but makes no political contributions whatever.

Our board of governors was naturally distressed by the implications contained in the report, and directed me to write you with respect to it. We realize there was no intent, on the part of the subcommittee or of the U. S. News & World Report, to cause embarrassment to this association or any other. But we do respectfully submit that the practice of linking purely personal contributions of individual donors to an association to which they happen to belong, and lumping these individual gifts together in such a way to identify them with the association, leads inevitably to misinterpretations and is unjustified.

That the particular contributions referred to were personal and completely unrelated to the American Bar Association is attested by the individuals who made them. Since all of these gentlemen have various other organizational affiliations, we are at a loss to understand why this association was singled out as the organization with which their personal gifts should be identified in the subcommittee's report, rather than any one of the other organizations to which they belong. For instance, Joseph W. Henderson, of Philadelphia, one of the individuals listed as an American Bar Association contributor, happens to be president of the Union League of Philadelphia which, as you know, is a Republican club, and I am certain that his contribution was intended to be credited to that source, rather than to the American Bar Association. On the other side of the aisle, Richard Bentley, of Chicago, is a member of Governor Stevenson's former law firm. His contribution to the Stevenson campaign was sent on his law-firm stationery and was in-

tended to be credited to the Volunteers for Stevenson. Neither of these gentlemen had the slightest idea that their contribution would be attributed to their membership in the American Bar Association, nor did they wish it to be.

The American Bar Association membership of 90,000 includes men and women of both political parties. You can, therefore, understand why there was such widespread protest from members of both parties following the publication of the article in the U. S. News & World Report. Our association has existed to serve the legal profession and the public for 80 years. Its activities are conducted on a strictly nonpartisan basis; the legislative questions on which it takes positions are those affecting the administration of justice and the public interest within the scope of the association's objectives.

It is our hope that your subcommittee will take whatever steps are necessary to prevent a recurrence of similar incidents in the future. We hope that you will particularly give consideration to the manner of listing the contributions of individuals in such manner that it will be clearly indicated that they are personal contributions without connecting them up in any way with organizations having no part in political activities. In order that I may make a report to the board of governors of this association, I will appreciate hearing from you with respect to this matter at your earliest convenience.

Thanking you and your colleagues for your consideration of this request, I am,

Sincerely yours,

DAVID F. MAXWELL,
President.

Mr. MANSFIELD. On March 25, 1957, I sent a reply to Mr. Maxwell, and I ask unanimous consent that the text of that letter be printed in the RECORD at this point as a part of my remarks.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

MARCH 25, 1957.

HON. DAVID F. MAXWELL,
President, American Bar Association,
Philadelphia, Pa.

DEAR MR. MAXWELL: This will acknowledge receipt of your letter of March 19, pertaining to the report of the Subcommittee on Privileges and Elections, entitled "1956 General Election Campaigns."

When the broad investigation into campaign finances was conducted by the subcommittee during 1956, it was the announced intention of the subcommittee to inquire into all sources from which contributions were received and the manner in which expenditures were made. Majority and minority representation on the subcommittee were in accord that the investigation should be as complete and objective as time and resources would permit. Not only were candidates and political committees requested to report to the subcommittee concerning contributions and expenditures, but also an attempt was made to determine what impact, if any, was made on Federal elections by certain other groups or associations throughout the United States.

The reports which were received by the subcommittee were sworn to or affirmed by candidates or by officers of committees, groups, or associations, and in no case did the subcommittee report a contribution or expenditure by a person, committee, or other group which was not substantiated by reports filed with the subcommittee. And, in no case did the subcommittee report a contribution or expenditure by a group, organization, or other association, if in fact the contribution or expenditure was given or made by an individual.

In many instances, the name of an individual contributor appears in more than one place in the report, i. e., as a director, dele-

gate, or other official of a group or association, as a contributor to a Democratic and Republican National Committee, as a contributor to a State Democratic or Republican committee, or for other purposes listed in the report.

You have referred in your letter to Joseph W. Henderson of Philadelphia and to Richard Bentley of Chicago, who are both members of the House of Delegates of the American Bar Association. Each of those men is listed as having contributed to the Republican or Democratic parties. They have also been listed by the subcommittee in other portions of the report, as follows:

1. Exhibit No. 26: "Consolidated alphabetical list of contributors of \$500 or over to Democratic and Republican committees and candidates for the period January 1, 1956–November 30, 1956."

"Richard Bentley, \$2,500 (Democrats)" (page 26–5).

"Joseph W. Henderson, \$1,500 (Republicans)" (page 26–106).

2. Exhibit No. 27: "Contributors of \$500 and over to political committees and candidates for the period January 1, 1956–November 30, 1956, by States:

"Richard Bentley, Illinois, \$2,500 (Democrats)" (page 27–11).

"Joseph W. Henderson, Pennsylvania, \$1,500 (Republicans)" (page 27–171).

3. Exhibit No. 28: "Alphabetical list of contributors of \$500 and over, arranged by party and by recipient committee or candidate for period January 1, 1956–November 30, 1956:

"Richard Bentley, National Volunteers for Stevenson, \$2,500 (Democratic)" (page 28–12).

"Joseph W. Henderson, Republican National Committee, \$500 (Republican)" (page 28–71).

"Joseph W. Henderson, Pennsylvania Republican Finance Committee, \$1,000" (page 28–195).

Therefore, it may readily be ascertained by a reading of the full report of the Subcommittee that Messrs. Bentley and Henderson are listed as contributors to the Democratic and Republican Parties respectively, as individuals. And further, that they are listed not only as contributors of \$500 or more or as contributors to National committees, but also that their contributions were further broken down to State committees.

In like manner, Messrs. Herbert Brownell, Jr., Arthur H. Dean, W. T. Gossett, and Whitney North Seymour are shown as individual contributors to Republican organizations in exhibits 26, 27 and 28.

The subcommittee had no intention to intimate that an individual contribution or expenditure was actually made by a particular group, organization or other association per se.

Exhibit 22 specifically states that the contributions listed were "1956 political contributions of \$500 and over by persons belonging to selected special groups," and you have been frank to admit this fact in your letter. The subcommittee regrets any misinterpretation which has been drawn by readers of the report. And, of course, the subcommittee cannot be responsible for any material allegedly reproduced in either the U. S. News & World Report or any other magazine or newspaper.

I hope that this information will prove of value to you in preparing your report to the board of governors of the American Bar Association, but if there should be any additional facts desired, please let me hear from you again.

Sincerely,

MIKE MANSFIELD,
Chairman, Subcommittee on Privileges
and Elections.

Mr. MANSFIELD. On August 31, 1956, the Subcommittee on Privileges and Elections, which at that time was under the chairmanship of the distinguished junior Senator from Tennessee [Mr. GORE], and on which I had the pleasure of serving together with the distinguished junior Senator from Nebraska [Mr. CURTIS], met in executive session, and unanimously agreed to conduct a thorough, impartial, and objective study of campaign contributions and expenditures during the 1956 general-election campaign on the broadest scale possible, in consideration of time and resources available to the subcommittee.

Acting under the jurisdiction conferred upon it by the United States Senate, the Subcommittee on Privileges and Elections increased its staff and began the immediate preparation of questionnaires and reporting forms which were to be sent out to as many candidates for Federal office, political committees, labor unions, radio and television stations, other media of written or oral communication, and other individuals, organizations, or associations, whose names and addresses the subcommittee was capable of ascertaining. Hearings were conducted by the subcommittee on September 10 and 11, and again on October 8, 9, and 10, 1956, during which time testimony was received from political scientists, members of political committees, officers of various branches of the Government, labor-union representatives, corporation officials, and many others who personally requested or were asked by the subcommittee to appear and testify. Notices were sent to each Member of the Senate announcing the dates of the hearings and inviting all those interested to attend and participate in the hearings.

On Tuesday, October 9, 1956, the distinguished junior Senator from Arizona [Mr. GOLDWATER] availed himself of the opportunity to participate in the hearings of that day, and he examined Messrs. Joseph McDevitt and Jack Kroll, codirectors of the AFL-CIO Committee on Political Education, and Mr. Walter P. Reuther, president of the international union, UAW-CIO, and at that time he stated that he would submit a letter to the chairman, the distinguished junior Senator from Tennessee [Mr. GORE], requesting that the subcommittee obtain certain information from various unions. The text of the letter of the Senator from Arizona [Mr. GOLDWATER] appears on page 456 of part II of the hearings which were published in 1956.

Every opportunity was afforded to representatives of both major political parties to present facts and request action on all matters pending before the subcommittee relating in any manner to campaign finances and political activities. No action was taken at any time by any of the members of the subcommittee to forestall, delay, or camouflage inquiry into any field of political activity or financing upon which attention was focused.

Following recommendations by the Senator from Nebraska and the Senator from Arizona, an investigation was conducted in Flint, Mich., concerning al-

leged violations of Federal election laws by the Greater Flint Industrial Union Council, and, specifically, local No. 599 of the United Auto Workers. As the subcommittee report states, that investigation was somewhat hampered by the facts that the campaign was then at its height, and that an investigation in progress was known to the press. The subcommittee investigator reported back to the subcommittee that he was unable to obtain all of the information for which he was sent, and that his conclusions were necessarily incomplete.

The subcommittee, meeting in executive session, all members being present, unanimously agreed not to pursue the investigation further at that time, but to refer the matter to the Department of Justice for such action as should be deemed necessary.

The statement by the distinguished chairman of the National Republican Senatorial Campaign Committee omits any reference to the fact that the case above-described was transmitted to the Department of Justice. The remarks, by Senators GOLDWATER and CURTIS, which appear in the RECORD of March 29, 1957, likewise fail to acknowledge that such action was taken.

Section 610 of the Federal Corrupt Practices Act—title 18, United States Code, section 610—prohibits contributions or expenditures by national banks or federally organized corporations, and also contributions or expenditures by any corporation or labor union in connection with Federal elections. Members of both major political parties have long complained that direct contributions and/or expenditures and other means calculated to influence the result of elections have been employed by corporations and labor unions. Some charges of this nature have resulted in court action to enforce the provisions of Federal election laws.

The subcommittee received testimony from Warren Olney, III, Assistant Attorney General in charge of the Criminal Division of the Department of Justice, with reference to the enforcement of section 610, title 18, United States Code. In a statistical report of complaints received by the Department of Justice concerning alleged violations of this section from 1950-56, Mr. Olney pointed out that during that period there had been received 54 complaints, of which 49 were considered by the Department to be worthy of investigation. Of these complaints and investigations, 14 cases were presented to the grand jury. Only 2 indictments were obtained, and only 1 case was brought to trial, which resulted in an acquittal. One further case, the United States against International Union, United Automobile, and so forth, Workers, was heard in the Federal District Court for the Eastern District of Michigan. An appeal from a decision of that court adverse to the complainant, was taken to the Supreme Court of the United States. That august body remanded the case to the district court for the eastern district of Michigan for trial. Thus, there is no clear decision concerning political activities by labor unions, corporations, or national banks.

The subcommittee sent no questionnaires or other forms to corporations, but relied solely for information on such legal entities upon reports filed by candidates and political committees with the Clerk of the House of Representatives and the Secretary of the Senate.

Every phase of the enormous task of compiling statistics of campaign contributions and expenditures, both on the Federal and State levels, was done only after conference with all members of the subcommittee, and, in every instance, with the concurrence of both majority and minority members. Time and time again was the maxim reiterated that the intent of the subcommittee was to disclose to the best of its ability, time and resources permitting, as much of the financing for all campaigns throughout the United States as was humanly possible, and that the aim of the subcommittee was to produce a statistical report free from bias or political partisanship.

An interim report, compiled by the subcommittee, was submitted to each of the Members, and an opportunity was given for the submission of corrections and any criticisms which might be brought to the attention of the subcommittee. No objection to the printing of the subcommittee's interim report was officially voiced by any member of the subcommittee at any of its meetings, with the exception that the distinguished Junior Senator from Nebraska [Mr. CURTIS] expressed his opinion that donors who made contributions within the letter of the law ought not to be subjected to embarrassment or humiliation.

Mr. President, if any embarrassment or humiliation was suffered by individuals who made political contributions, then such embarrassment or humiliation is due, not to the efforts of the subcommittee, but to the provisions of the Federal election laws which require that contributions and expenditures be reported to the Clerk of the House or the Secretary of the Senate.

Except for this one objection, the functioning of the subcommittee was absolutely without discord. Not until the subcommittee report was printed in final form did the minority member, Senator CURTIS, provide his minority views.

Indeed, Mr. President, a reading of the minority views, which appear on pages 25 to 28 of the subcommittee report, reveals that the distinguished junior Senator from Nebraska [Mr. CURTIS] appreciated the very difficult and complex problems which confronted the subcommittee in its attempt to perform its duty on such an enormous scale.

On page 26 of the report, the junior Senator from Nebraska stated:

It must be stated without reflection on the staff of the committee or necessarily on the witnesses, that no full disclosure of the conduct of the campaign has been made. The difficulties appear to be in some degree procedural. There has been lacking an adequate definition of terms as to what constitutes a political expenditure and adequate accounting procedures which would make mandatory the full reporting of all such expenditures. The present hearings have again demonstrated that neither through legislation nor through committee action has the Congress made adequate specifications.

The Subcommittee on Privileges and Elections fully recognizes that there are areas in the law which permit campaign contributions and expenditures and other activities which tend to influence the result of elections to go undisclosed and unreported. Reporting techniques and the attendant responsibilities of political committees, candidates, labor unions, corporations, and other organizations or associations have not yet been defined in detail by law, or interpretations of pertinent sections of the law have lost their meaning through accepted construction, so that political finances are either unreported or the reports are incomplete, ambiguous, or otherwise vague and uncertain.

Some contributions and expenditures, faithfully reported by the original source, have lost their meaning through transfers of funds, subsequent reports by other committees which have picked up the same information, and errors in names, addresses, and amounts.

Taking all of these problems into consideration, as well as the limitation of time and resources, the subcommittee under the distinguished and very capable Senator from Tennessee [Mr. GORE] did its very best, objectively and honestly, to inform the Senate and the people of the United States concerning campaign finances during 1956. Its information was obtained only from reports filed with the subcommittee or with the Clerk of the House of Representatives or the secretary of the Senate. Every effort was made to discover and correct duplications in reporting, errors in names, addresses and amounts, and other defects which members of the staff were capable of discerning. The subcommittee readily admits that its report is not infallible. The subcommittee wishes to thank the senior Senator from the State of Kansas [Mr. SCHOEPFEL] for calling to the attention of the subcommittee any errors or omissions which exist in the report. In the event there should be a reprint of the subcommittee's report, every effort will be made to correct such errors or omissions and to make the reprint as nearly perfect as possible.

A substantial portion of the criticism in the statement by the distinguished senior Senator from Kansas, is concerned with the absence from some exhibits of the names of some individual contributors who gave more than \$500 or more than \$5,000.

The subcommittee report specifically recites at the beginning of exhibit 26 that "Lists of contributions from several hundred people totaling approximately one-half million dollars were received in time to be included in exhibits 26, 27, and 28, but too late to be included in other exhibits which show individual contributions."

Exhibits 26, 27, and 28 were the last to be run through the IBM machines and time permitted more detailed and last-minute corrections and additions to those exhibits.

Mr. President, I wish to reiterate that the task of the subcommittee was very difficult and very complex; that no prior study of such magnitude had ever been undertaken on this subject by any Sen-

ate committee, and the subcommittee has every reason to be proud of its accomplishment without embarrassment because some errors may appear in its work. The overall picture of campaign contributions and expenditures would still remain the same if the errors referred to by the distinguished senior Senator from Kansas were taken into account and the subcommittee stands ready and willing to defend its report on the floor of the Senate, or elsewhere.

I conclude, Mr. President, by stating that the Senate and the Nation owes a debt of gratitude and appreciation to the chairman of the subcommittee, the Senator from Tennessee [Mr. GORE]. He performed a difficult task ably, vigorously and impartially.

TRIBUTE TO DEMOCRATIC PAGES

Mr. ELLENDER. Mr. President, before proceeding with a discussion of the pending measure and the amendment offered by the Senator from California, I wish to take occasion to thank my fine young friends, the Democratic pages. These boys serve us very faithfully and they are very observant. Some time ago they noticed that I had occasion to borrow a nail file from Bobby Baker and others of the staff, and they proceeded to purchase one for me. To the box was attached a card with these words:

Now when you are on the floor

You'll have to borrow nevermore.

(Signed) THE DEMOCRATIC PAGES.

Democratic pages of the Senate, I appreciate your thoughtfulness very much.

EXTENSION OF AGRICULTURAL TRADE DEVELOPMENT AND ASSISTANCE ACT OF 1954

The Senate resumed the consideration of the bill (S. 1314) to extend the Agricultural Trade Development and Assistance Act of 1954, and for other purposes.

The PRESIDING OFFICER (Mr. DOUGLAS in the chair). The question is on agreeing to the amendment offered by the Senator from California [Mr. KNOWLAND].

Mr. ELLENDER. Mr. President, the bill has been discussed at length by the distinguished junior Senator from Minnesota [Mr. HUMPHREY]. He has given to the Senate and to the people of the country a very clear-cut picture of the effectiveness of Public Law 480 in disposing of some of our surplus commodities.

The bill now under consideration simply extends the present law for another year. It would extend title I until June 30, 1958, and would increase the authorization of title I by \$1 billion, so as to make the authorization \$4 billion.

If Senators will look at page 1 of the report, they will note how the surplus commodities are disposed of under title I of Public Law 480.

The President, under that title, is authorized to enter into agreements with friendly nations or organizations of friendly nations for the sale of surplus agricultural commodities for foreign currencies, to be used for foreign assistance, payment of United States obliga-

tions abroad, and for certain other purposes. Under existing legislation, new agreements cannot be entered into after June 30, 1957. Agreements are negotiated through diplomatic channels.

After agreements are signed, purchase authorizations are issued to importing governments by the Foreign Agricultural Service. These authorizations specify the kinds, quantities, and maximum dollar values of the commodities to be purchased, and the conditions under which financing will be made available. Public announcements are made of these authorizations for use by United States suppliers in making sales with foreign importers.

Normal commercial procedures, based largely on letters of credit, are followed in carrying out title I sales. Importers pay for commodities in local currencies through their local banks. United States suppliers are paid in dollars by United States banks with which the foreign banks have established dollar letter-of-credit arrangements. The United States banks are reimbursed by the Commodity Credit Corporation. The foreign currency purchase price of the commodities is deposited to the account of the United States Government in accordance with arrangements made between Governments of the United States and the importing country.

The foreign currencies so deposited are then used in furtherance of the foreign aid program, United States foreign policy interests, and other purposes.

Only 1.6 percent of the purposes for which such foreign currencies can be used can be considered agricultural purposes. A table showing the planned uses of foreign currency, other than agricultural uses, is shown on page 3 of the report.

Mr. President, I ask unanimous consent that that table be printed at this point in the RECORD.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

	Millions of dollars	Percent
Purchase of strategic material.....	7.2	.4
Military procurement.....	241.0	12.1
Purchase of goods for other countries.....	23.5	1.2
Grants for multilateral trade and economic development.....	61.5	3.1
Payment of United States obligations abroad.....	478.38	24.1
Loans for multilateral trade and economic development.....	1,114.9	56.2
International education exchange.....	17.15	.9
Translation and publication.....	1.75	.1
Information and education.....	7.4	.1

Mr. ELLENDER. Mr. President, the table shows that for the purchase of strategic material, \$7.2 million, or 0.4 percent of the entire amount, was used.

For military procurement, \$241 million, or 12.1 percent of the entire amount, was used.

For the purchase of goods for other countries, \$23.5 million, or 1.2 percent of the entire amount, was used.

For grants for multilateral trade and economic development, \$61.5 million, or 3.1 percent of the entire amount, was used.

For the payment of United States obligations abroad, \$478.38 million, or 24.1 percent of the entire amount, was used.

For loans for multilateral trade and economic development, \$1,114.9 million; or 56.2 percent of the entire amount, was used.

For international education exchange, \$17.15 million, or 0.9 percent of the entire amount, was used.

For translation and publication, \$1.75 million, or 0.1 percent of the entire amount, was used.

For information and education, \$7.4 million, or 0.1 percent of the entire amount, was used.

The greatest portion of these currencies, derived from surplus sales is used almost in the same manner as economic aid funds are used.

I shall show in a few moments with greater particularity how these currencies are being used to benefit the recipient countries. As I said, they are used to rehabilitate these countries and are really or virtually used in lieu of foreign aid.

It is my sincere hope that when the Committee on Foreign Relations supports the foreign aid authorization bill this year, the Senate will take this program into consideration.

Up to the present, Congress has authorized an expenditure of \$3 billion for the sale of surplus commodities to foreign countries. The export market value of all the surplus products sold under title I of the act aggregates \$1,900,000,000, in round figures, although the Commodity Credit Corporation's investment in, and costs in connection with, those commodities was almost \$3 billion.

Mr. President, we have remaining approximately \$100 million, which has not yet been obligated. We were informed by the Department that if the Senate provides the additional \$1 billion, now being requested, it will be possible to continue the program at the same rate as it has been conducted during the past 2 years.

Mr. President, I ask unanimous consent to have printed at this point in the RECORD, as a part of my remarks, a statement regarding the various uses to which the money is being put. For instance, the first category listed is agricultural market development; the next is purchase of strategic materials; the next is common defense; and so forth.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

FROM FIFTH SEMIANNUAL REPORT ON ACTIVITIES UNDER PUBLIC LAW 480, 83D CONGRESS, AS AMENDED (DOC. NO. 50, 85TH CONG., 1ST SESS.)

Agricultural market development: Section 104 (a): A part of the foreign currencies accruing from title I sales is being used to assist the development and expansion of foreign markets for United States agricultural products.

Market development projects are initiated and carried out in close cooperation with United States and foreign-trade groups in a manner designed to be beneficial to both groups. In most cases the United States Government furnishes part of the foreign currencies required for the projects and supervises the activities. The United States trade

group carries out the project and provides for the necessary dollar costs. The cooperating foreign-trade group meets part of the local costs.

This procedure gives private traders in the United States and abroad the opportunity to work together on the problems of expanding old and developing new commercial markets for United States agricultural commodities on a continuing basis. It insures that projects are beneficial to both the United States and the foreign country.

During the period July-December 1956 over 20 projects were approved providing for commitment of about \$2 million equivalent in foreign currencies. This brings total commitments to about \$4.1 million equivalent as of December 31, 1956. The United States farm commodities to be promoted abroad under these projects are cotton, wheat, and flour, beef cattle, dairy cattle, soybeans, tobacco, fruit, tallow, dairy products, poultry, and eggs.

Types of activities included in these projects are visits by foreign-trade representatives, consumer preference surveys, advertising and public-relations programs, market surveys, exhibitions, and demonstrations, merchandising, and other specialized training in marketing. Arrangements were made for these activities to take place in 20 countries.

Three new types of projects undertaken during the reporting period follow:

1. A team of German food-inspection experts was brought to the United States to acquaint them with accepted American pure-food standards and methods of food preservation. A basis for a better understanding was sought so that more United States processed agricultural products may be admitted into Germany.

2. A worldwide survey of prices of agricultural commodities at producer, wholesale, and retail levels was started. The study should permit simultaneous price comparisons of specific commodities at particular stages of marketing. It is expected to show where there are price advantages to the United States in international trade for particular commodities and to indicate the countries in which market development activities would be most fruitful. A private research firm with worldwide branches has been employed to make the study.

3. Arrangements were made whereby the United States fruit export trade contributed pictorial material for an illustrated catalog to be printed in Austria for distribution there and in other countries. The 48-page booklet in color should serve to introduce various United States fruit items to foreign importers.

Trade fairs: Market-development projects are also conducted through participation in international trade and food fairs. During calendar year 1956 United States agricultural exhibits under Public Law 480 were shown at trade and food fairs, with a total attendance of nearly 7,500,000. Exhibits in prospect for the early part of 1957 include Verona, Italy; Barcelona, Spain; and Tokyo, Japan.

United States exhibits in these fairs are organized cooperatively with private agricultural trade groups. In general, exhibit ideas, technical personnel, and display materials for the agricultural exhibits are provided by the trade groups. The Government organizes and manages the exhibits; rents the space; provides for the design, construction, and operation of the exhibits; ships necessary materials and commodities; and provides travel and per diem for industrial technicians and commodity specialists participating in the joint effort.

Trade fairs serve to acquaint large numbers of people with the quality and availability of United States agricultural products. It permits many prospective customers to see, taste, and feel these products for the first time.

The largest agricultural exhibit during the July-December 1956 period was at the British

Food Fair in London, August 28-September 15. At this major fair, with a total attendance of more than 500,000, the United States featured meat, lard, frozen poultry, dairy products, grain products, rice, and frozen foods. Samples distributed included frankfurters, cheese, milk solids, doughnuts, and orange juice made from frozen concentrate. Five representatives of United States agricultural trade associations assisted with the exhibit and used the occasion to establish contacts with British trade leaders.

Smaller agricultural displays held during the period were in connection with Department of Commerce exhibits at Vienna, Austria; Salonica, Greece; Zagreb, Yugoslavia; Bangkok, Thailand; and, for the second successive year, Bogotá, Colombia. The Bogotá exhibit of wheat and flour and the Bangkok exhibit of recombined milk were arranged in direct support of the work of United States market development teams operating in those countries.

Purchase of strategic materials: Section 104 (b): No local currency was earmarked for this purpose under title I agreements entered into during the reporting period. The total amount of local currency earmarked to date for the purchase of strategic materials is \$7.2 million.

Common defense: Section 104 (c): This section of the act provides that local currency proceeds of sales may be used to procure military equipment, materials, facilities, and services for the common defense. During the reporting period, \$55.3 million equivalent was earmarked for this purpose. This brings the total amount planned for common defense to \$221.3 million for agreements signed with Brazil, the Republic of China (Taiwan), Iran, Korea, Pakistan, and Yugoslavia. The use of \$20.5 million equivalent has been authorized so far, including about \$14.5 million worth of rupees to Pakistan and \$6 million worth of hwan to Korea. In Pakistan the funds provided are being used primarily to meet military construction and Pakistani troop support costs. Currency available in Korea is being used to bolster the military position of the Republic of Korea.

Purchases of goods for other friendly countries: Section 104 (d): This section provides that the United States may use local currency proceeds of surplus commodity sales to purchase goods and services for other friendly countries. Sales agreements may earmark specific amounts or may provide that unspecified portions of sales proceeds which will be set aside for United States uses may be used for this purpose. The act provides that, unless the requirement is waived, dollar reimbursement must be made to CCC if local currency is used to procure goods or services which will be furnished on a grant basis.

There is usually no advance commitment by the United States to use these funds either to procure specific goods or services or to authorize purchases for a particular country. Certain standards conforming closely with commercial practices have been established for the use of these funds. These are designed to avoid undue disruption of normal trade patterns and to assure that purchases are made at competitive prices.

Use of about \$12 million equivalent of these funds has been authorized, including \$3.3 million worth of yen during the last 6 months. The equivalent of \$1.3 million of yen will be used to buy Japanese cement needed in Taiwan. In addition, \$2 million of yen were used to furnish some of the immediate needs for civilian relief in the Ryukyu Islands following Typhoon Emma.

Grants for economic development: Section 104 (e): About \$60 million of local currency has been earmarked for grants for economic development. These are made only in special circumstances and comprise about 3 percent of the total sales proceeds expected to accrue.

Payment of United States obligations: Section 104 (f): Agreements signed during the period July–December 1956 tentatively earmarked \$182.1 million, or 20.5 percent of sales proceeds, for the payment of United States obligations. Not all of these funds will be used for the payment of United States obligations because a number of agreements signed during the period of this report include a combined total for several United States purposes, such as market development, purchases of goods for other countries, and international education exchange, as well as for the payment of United States obligations. Since dollar reimbursement is required for nearly all of the funds used under section 104 (f), eventual dollar recovery may be considerably more than the 10 percent minimum stipulated in the act.

All dollar payments for these foreign currencies are credited to the Commodity Credit Corporation. Reimbursement to CCC will be spread over a number of years and is likely to be considerably less than the total earmarked under this section. This is because (1) repayments for military family housing will extend over many years; (2) currencies available for Treasury sale accumulate in some countries where United States agency expenditures are low; and (3) losses are sustained in some cases due to exchange rate differentials.

The Treasury Department sells foreign currencies to the Government for appropriated dollars at the rate of exchange at which they could otherwise obtain the currencies. This is not necessarily the same exchange rate as is applicable to the commodity sales. The dollar return to CCC consequently is often less than the dollar market value of the commodities sold.

In countries such as Turkey and Spain most sales are to defense agencies for use in meeting the costs of military-base construction. Substantial purchases are also made by such agencies as the Department of State and the United States Information Agency, which have continuing needs for funds to meet administrative and operating expenses.

A small portion of these currencies has been made available for congressional travel expenses, a use exempted from the requirement for dollar disbursement by section 502 (b) of Public Law 665, 83d Congress.

Military family housing: Public Law 765, 83d Congress, Public Law 161, and Public Law 968, 84th Congress, authorize the use of up to \$250 million worth of foreign currencies generated by title I sales for construction, rent, or procurement of United States military family housing and related community facilities in foreign countries. This legislation further provides that CCC shall be reimbursed from appropriations available for the payment of quarters allowances to the extent the housing is occupied.

Tentative allocation of local currency for purchase or construction of military family housing amounted to a total of \$98.4 million equivalent in agreements with the following countries:

	<i>Million dollar equivalent</i>
Austria.....	6.4
Finland.....	7.0
Greece.....	2.0
Italy.....	13.0
Japan.....	25.1
Portugal.....	1.5
Spain.....	16.0
United Kingdom.....	27.4
Total.....	98.4

During the reporting period, Greece and Portugal were added to the list of countries in which military family housing programs were being developed.

The amount allocated in Italy was raised from \$3.5 million in Italian lire to \$13 mil-

lion. The program now provides for a total of 616 units, including 45 units for the Air Force, 415 for the Army, and 156 for the Navy.

In the United Kingdom, a substantial number of units for the Air Force and the Navy has been completed under the 1955 agreement (\$15.2 million). Approximately 1,000 additional units, together with related community facilities, will be constructed with the \$12.2 million equivalent available from the second sales agreement signed in June 1956.

Loans for multilateral trade and economic development: Section 104 (g): Over \$1 billion of local currencies—just over half of the total proceeds expected from sales made to date—will be lent by the United States to purchasing countries to promote economic development and international trade. Over half of these loan funds will be available to countries in the Near East and Asia. This includes the large loan components of the multiyear programs for Indonesia and India; funds which will accrue for loan purposes as a result of sales to Japan; and substantial amounts earmarked for seven other countries in this area. Almost \$300 million equivalent will be set aside for loans to 5 Western European countries, including Italy, Spain, and Yugoslavia. About \$225 million in local currencies will be available for loans to Brazil, Chile, and 5 other Latin American countries to which United States surplus farm products have been sold under this program.

Plans for the productive use of these funds are gradually being developed by the foreign governments in cooperation with the United States. Special emphasis is being placed upon appropriate coordination of plans for the use of these substantial local currency resources with the overall development programs of the countries. Foreign governments are being encouraged to use some of these funds for relending to private enterprise. Loans will be made through established banking facilities of the country concerned to locally owned companies, as well as to those financed by United States investors and by investors from other friendly foreign countries. Some of the funds may also be used to cover a portion of the local costs of development projects for which foreign-exchange financing is being furnished by the International Bank for Reconstruction and Development and the Export-Import Bank. Loan funds may also be used to supplement planned governmental expenditures for roads, port and storage facilities, and other public improvements. Thus over the next several years these funds are expected to make an important contribution to the economic growth of many friendly foreign countries.

The agreements specify terms and conditions of repayment which have been developed in cooperation with the National Advisory Council on International Monetary and Financial Problems. Strategic materials, services, foreign currencies, or dollars may be accepted in payment of the loans.

During the last 6 months, loan agreements have been concluded with 6 countries providing for local currency loans of \$131 million equivalent. Since the beginning of the program, the equivalent of \$236 million in loans have been negotiated with 11 countries. This includes (in million-dollar equivalents): Austria, \$16.0; Brazil, \$31.32; Chile, \$4.0; Colombia, \$10.0; Ecuador, \$3.1; Greece, \$4.2; Israel, \$31.29; Japan, \$108.85; Peru, \$7.75; Spain, \$10.5; and Yugoslavia, \$9.0. A further acceleration in the rate at which loan agreements are concluded is expected. Negotiations are progressing and some of the problems which have occasioned delays in the past are nearing solution. In addition, it is anticipated that a much shorter time should be required to negotiate successive loan agreements with those coun-

tries with which more than one sales agreement has been entered into.

Most of the loan agreements concluded so far provide only that the funds will be used for economic development, without reference to specific projects. Countries may then formulate their plans for the use of these funds over a period of time. In some instances, however, virtual agreement on fund utilization is reached at the same time that the loan is negotiated. Actual disbursement of funds is authorized as local currency deposits become available and as funds are needed for the projects.

By December 31, 1956, economic development projects involving expenditures of up to \$181 million equivalent have been approved for 8 countries, including (in million-dollar equivalents): Austria, \$1.5; Brazil, \$31.32; Chile, \$4.0; Ecuador, \$3.1; Israel, \$15.4; Japan, \$108.85; Peru, \$7.75; and Spain, \$9.0. Of these amounts, expenditures of up to \$84 million equivalent were approved during the last 6 months, including (in million-dollar equivalents): Peru, \$3.35; Brazil, \$31.32, and Japan, \$49.35. Most of the Peruvian soles will be used in connection with the irrigation project approved some time ago. About \$1.5 million equivalent may be used in the drought area in the southern part of the country for construction of farm-to-market roads, agricultural credit, and similar projects. Present plans contemplate the use of a substantial portion of the Brazilian cruzeros for improvement of rail- and river-transport facilities. Funds will also be used to finance storage construction, expansion of electric power, and for other industrial purposes. Japanese yen will also be used for electric-power development, as well as for reclamation of industrial land sites, forestry, food processing, and similar projects. About \$13 million of these funds will be used to finance irrigation, drainage, and reclamation of agricultural land.

In general, the United States considers that it is unwise to use these funds directly for projects which may result in increased production of agricultural commodities already in world surplus. However, in countries like Japan, which even at their present population levels must import a very large percentage of their food requirements, any small increases in production will readily be consumed at home and will not enter into world markets.

International educational exchange: Section 104 (h): The educational exchange program is authorized by Congress to help promote mutual understanding between the people of the United States and those of other countries.

Based upon the planned uses of foreign currency under agreements signed from the beginning of the program through December 31, 1956, seven educational exchange programs are expected to be reactivated or extended (Public Law 584, 79th Cong., the Fulbright Act) for which the original sources of foreign currency have been exhausted.

In addition, the planned use for the foreign currency is providing a base for initiating 11 educational exchange programs under the Fulbright Act, including 7 in Latin America.

Negotiations for new or extended agreements to support educational exchange programs are underway as follows (values in dollar equivalent): Argentina, \$600,000; Brazil, \$980,000; Chile, \$500,000; Colombia, \$500,000; Ecuador, \$300,000; Finland, \$250,000; Japan, \$750,000; Korea, \$900,000; Pakistan, \$1,050,000; Paraguay, \$150,000; Peru, \$500,000; Portugal, \$300,000; Spain, \$600,000; Thailand, \$400,000; and Turkey, \$750,000.

Additional programs in active preparation include Indonesia, \$600,000; Iran, \$750,000; Republic of China (Taiwan), \$750,000; and India, \$1,800,000.

Translation, publication, and distribution of books and periodicals: Section 104 (i):

As indicated previously, subsection (i) was added to section 104 of the act by the Mutual Security Act of 1954. Not more than \$5 million may be allocated for this purpose during any fiscal year.

It is planned that American textbook exhibits will be furnished to educators abroad for ultimate use in schools of their countries.

To facilitate the program, local currencies will be used to acquire rights to books, procure paper, translate textbook material, and furnish printing equipment.

Assistance to American-sponsored schools, libraries, and community centers: Section 104 (j): This subsection was added to section 104 of the act by Public Law 962, 84th Congress. Through December 31, 1956, the equivalent of \$4.6 million was planned for this currency use. The currency will be used to aid American-sponsored schools abroad and binational organizations which promote United States interests and mutual understanding. Agreements entered into with Brazil, Italy, Pakistan, Spain, and Turkey provide for section 104 (j) uses.

American-sponsored schools will be aided through the purchase of land, buildings, and equipment. Buildings acquired will not only make more classrooms available but will result in more laboratories and dormitories. For example, it is planned that the American school in Rome will acquire a small tract of land for playground and other school purposes; it is further planned that the villa

now used for classrooms will be remodeled to provide dormitory space not now available. Local currencies will also be used to offer scholarships (for children of the foreign country), to augment teachers' salaries, and for curriculum improvement.

Binational organizations will be aided through the purchase and lease of buildings and through furnishing books and other educational materials. In addition to binational center projects, this authority will be used to support such educational facilities as the Institute of American Studies in Rome.

Mr. ELLENDER. Mr. President, since the inception of the program, 87 agreements or supplements to agreements have been entered into with 30 countries. They cover commodities involving a total cost to the Commodity Credit Corporation, as I have just indicated, of approximately \$2,900,000,000 and with a total export market value of nearly \$2 billion. The \$2,900,000,000 of Commodity Credit Corporation cost includes approximately \$225 million in ocean transportation costs financed by the Commodity Credit Corporation, as well as processing, handling, and other costs. These agreements, covering the \$2,900,000,000, have practically exhausted the Commodity Credit Corporation's cost

limitation of \$3 billion. At the time the Department witnesses appeared before the committee, approximately \$1 billion worth of commodities had been exported, and the Department expected shipments to total approximately \$1,200,000,000 by June 30. Of course there is a lag between the dates when agreements are entered into and the time when the commodities are shipped. So the \$3 billion authorization is practically exhausted, even though only approximately \$1 billion worth of commodities has been shipped.

The market value, expressed in dollars, and the quantities, of the various commodities shipped to various countries under the program are set forth in tables I and II, on pages 9 and 10 of the report. A complete statement of the planned uses of foreign currencies under title I is set forth in table III, on page 11 of the report.

I ask unanimous consent to have the tables printed at this point in the RECORD, as a part of my remarks.

There being no objection, the tables were ordered to be printed in the RECORD, as follows:

TABLE I.—Commodity composition of programs under title I, Public Law 480, agreements signed from beginning of program through Feb. 28, 1957

[In millions of dollars]

Country	Wheat	Feed grains	Rice	Cotton ¹	Tobacco	Dairy products	Fats and oils	Other	Market value	Ocean transportation	Market value including ocean transportation ²	Estimated CCC cost including ocean transportation ²
Argentina.....							30.4		30.4	0.7	31.1	34.0
Austria.....	3.4	10.6		6.1	3.5		2.4		26.3	2.3	28.6	41.8
Brazil.....	144.7	.9			.2	2.2	8.3	³ 1.3	156.3	23.9	180.2	300.2
Burma.....				17.5	1.1	2.0		⁴ 2	20.8	.9	21.7	31.2
Chile.....	12.1			5.3	.2	1.0	16.0	⁵ 2.5	37.1	3.0	40.1	56.0
China (Taiwan).....				5.0	1.7	1.5	1.0		9.2	.6	9.8	12.5
Colombia.....	5.0			7.6		.7	2.5		15.8	1.1	16.9	24.1
Ecuador.....	2.2	.3		.8	.7		3.5		7.5	.6	8.1	10.3
Egypt.....	17.1								17.1	2.5	19.6	38.7
Finland.....	6.3	2.3		5.8	6.0	.5		⁶ 1.2	22.1	1.9	24.0	34.3
France.....					2.1				2.1		2.1	2.1
Germany.....								⁶ 1.2	1.2		1.2	1.2
Greece.....	14.7	5.4				3.6	14.3		38.0	4.0	42.0	57.2
India.....	200.0		26.4	70.0	6.0	3.5			305.9	⁷ 60.2	366.1	553.4
Indonesia.....	5.0		35.8	36.0	15.0				91.8	6.0	97.8	154.0
Iran.....	9.5					.8			10.3	2.5	12.8	21.3
Israel.....	15.8	10.1	.1	2.6	.4	4.1	3.0	⁸ 10.3	46.4	5.2	51.6	76.6
Italy.....	1.6	10.0		65.3	8.9		30.0		115.8	4.6	120.4	161.1
Japan.....	48.6	15.4	14.4	52.8	7.7				138.9	12.6	151.5	208.1
Korea.....	8.5	15.3	22.5	9.8	6.6	1.0	1.5	¹⁰ 8.0	73.2	8.4	81.6	96.8
Netherlands.....				.27					.27	.01	.28	.4
Pakistan.....	26.6		41.9	29.0	4.8	2.5	3.3		108.1	12.6	120.7	195.7
Paraguay.....	1.7					.4	.5		2.6	.4	3.0	4.3
Peru.....	8.9					.2	3.0		12.1	1.4	13.5	20.2
Portugal.....	6.3								6.3	.8	7.1	13.7
Spain ¹¹	4.6	9.1		132.9	6.2		89.6	¹² 19.3	161.7	15.0	176.7	199.2
Thailand.....					1.9	.46			2.36	.14	2.5	2.8
Turkey.....	52.8	18.0	1.4			.6	16.3	¹³ 4.9	94.0	16.2	110.2	163.7
United Kingdom.....					27.0				27.0	.4	27.4	27.4
Yugoslavia.....	132.2			30.9			26.0		189.1	33.2	222.3	344.8
Total agreements.....	727.6	97.4	142.5	377.67	100.0	25.06	251.6	47.9	1,769.73	221.15	1,990.88	2,887.1

¹ Spanish program includes \$0.3 million cotton linters.

² Includes only ocean transportation to be financed by CCC except as noted in footnote 8.

³ Fruit.

⁴ Includes \$111.0 million under fiscal year 1957 agreement to be shipped over a 3-year period.

⁵ Hay and pasture seeds, \$2.5 million.

⁶ Poultry.

⁷ 3-year program except rice, which is a 1-year program.

⁸ Includes \$6 million estimated for ocean freight differential for which no rupee deposits are required. The balance, \$54.2 million, only, is reflected in the currency use table III.

⁹ Dry edible beans, \$0.3 million; chilled or frozen beef, \$10 million.

¹⁰ Canned pork.

¹¹ Wheat to be sold to Spain for resale to Switzerland for financing procurement of Swiss goods by Spain.

¹² Hams, \$1.6 million; salt pork, \$0.8 million; potatoes, \$1.4 million; frozen beef, \$15.5 million.

¹³ Canned and frozen beef.

TABLE II.—Approximate quantities of commodities under title I, Public Law 480, agreements signed from beginning of program through Feb. 28, 1957

Country	Wheat and flour	Feed grains ¹	Rice	Cotton ²	Tobacco	Dairy products ³	Fats and oils ⁴	Poultry	Dry edible beans	Fruit and vegetables	Meat	Hay and pasture seeds
	Thousand bushels	Thousand bushels	Thousand hundred-weight	Thousand bales	Thousand pounds	Thousand pounds	Thousand pounds	Thousand pounds	Thousand hundred-weight	Thousand pounds	Thousand pounds	Thousand hundred-weight
Argentina							220,000					
Austria	2,025	7,091		42.5	5,900		⁵ 16,652			⁶ 1,974		
Brazil	⁷ 84,974	688			125	10,190	⁸ 55,092					
Burma				125.2	1,467	9,682				⁶ 1,579		55
Chile	7,316			37.6	300	9,900	94,019					
China (Taiwan)				35.6	2,000	5,062	10,811					
Colombia	2,612			48.3		3,307	14,141					
Ecuador	1,148	189		6.0	923		27,959					
Egypt	10,329									⁶ 10,720		
Finland	3,724	1,581		36.1	9,990	1,163						
France					3,216			3,000				
Germany												
Greece	8,571	5,073				28,456	⁵ 83,288					
India ³	128,600		4,409	500.0	6,000	14,770						
Indonesia	2,894		5,629	248.7	23,000							
Iran	2,120					11,708	5,773					
Israel	9,251	8,463	7	15.5	550	14,197	19,450		37		⁹ 40,000	
Italy	948	6,410		453.8	11,798		196,815					
Japan	31,030	12,425	2,111	305.0	9,462						⁹ 19,842	
Korea	5,408	13,115	3,214	50.0	12,667	2,751	9,677					
Netherlands				1.8								
Pakistan	16,019		6,636	189.5	5,317	5,105	21,159					
Paraguay	994					933	⁵ 3,126					
Peru	5,014					621	22,000					
Portugal	3,751											
Spain	¹⁰ 2,446	6,369		² 221.9	11,388		515,001			⁶ 66,667	⁹ 74,767	
Thailand					2,700	1,957					⁹ 17,155	
Turkey	30,547	14,424	220			3,042	113,723					
United Kingdom					38,625							
Yugoslavia	76,566			199.7			⁵ 193,916					
Total	436,287	75,828	22,226	2,517.2	145,428	122,844	1,622,502	3,000	37	80,940	151,764	55

¹ See the following:

	Thousand bushels
Feed wheat	1,813
Corn	29,442
Oats	5,843
Barley	32,935
Grain sorghums	5,795

Total 75,828

² Includes 15,400 bales cotton lint for Spain.³ See the following:

	Thousand pounds
Condensed milk	7,054
Dry whole milk	3,328
Nonfat dry milk	42,561
Evaporated milk	21,321
Butter	12,698
Cheese	11,521
Butter oil	2,835
Butter oil and/or ghee	15,276
Ghee	4,249
Whey	2,001

Total 122,844

⁴ See the following:

	Thousand pounds
Cottonseed oil	121,590
Cottonseed oil and/or soybean oil	773,118
Cottonseed oil, soybean oil and/or lard	320,151
Linseed oil	11,945
Lard	230,595
Tallow and/or grease	165,103

Total 1,622,502

⁵ Entire quantity shown for country is lard except Brazil, Chile, Greece, Paraguay, and Yugoslavia which includes lard as follows:

	Thousand pounds
Brazil	44,069
Chile	3,241
Greece	3,571
Paraguay	1,300
Yugoslavia	161,862

⁶ See the following:

	Thousand pounds
Austria:	
Canned fruit and fruit juices	47
Dried fruit	1,927
Burma:	
Canned fruit and fruit juices	769
Dried fruit	810
Finland:	
Dried fruit	9,800
Fresh pears	920
Spain, potatoes	

⁷ Includes 65,055,000 bushels under fiscal year 1957 program to be shipped over a 3-year period.⁸ 3-year program except rice which is a 1-year program.⁹ Israel, frozen beef; Korea, canned pork; Spain, canned hams 2,571, salt pork, 4,267, frozen beef, 67,929; Turkey.¹⁰ Wheat to be sold to Spain for resale to Switzerland for financing procurement of Swiss goods by Spain.TABLE III.—Planned uses of foreign currency under title I, Public Law 480, agreements signed from beginning of program through Feb. 28, 1957 ¹

[In millions of dollars]

Country	Total amount programmed (market value including ocean transportation)	Market development (104a)	Purchase of strategic material (104b)	Military procurement (104c)	Purchase of goods for other countries ² (104d)	Grants for multi-lateral trade and economic development (104e)	Payment of United States obligations ³ (104f)	Loans for multi-lateral trade and economic development (104g)	International education exchange (104h)	Translation and publication (104i)	Information and education (104j)
Argentina	31.1	0.6			(2)		9.8	20.0	0.7		
Austria	28.6	.7			2.0		9.9	16.0			
Brazil	180.2	2.7	3.2	2.0			19.6	149.2	2.1	0.5	0.9
Burma	21.7	.5			(2)		3.9	17.3			
Chile	40.1	.8					7.0	31.7	.6		
China (Taiwan)	9.8	.7		4.9			3.4		.8		
Colombia	16.9	.8			(2)		5.5	10.0	.6		
Ecuador	8.1	.4					.8	6.3	.4		.2
Egypt	19.6	.5					4.7	13.6	.8		
Finland	24.0	.5			(2)		23.2		.3	.05	
France	2.1	1.2			.6		.3				
Germany	1.2	1.1					.1				
Greece	42.0	1.3				7.5	9.2	23.5			.5
India, 3-year program	⁴ 360.1	4.0			(2)	54.0	66.2	234.1	1.8		

Footnotes at end of table.

TABLE III.—Planned uses of foreign currency under title I, Public Law 480, agreements signed from beginning of program through Feb. 23, 1957¹—Continued

[In millions of dollars]

Country	Total amount programmed (market value including ocean transportation)	Market development (104a)	Purchase of strategic material (104b)	Military procurement (104c)	Purchase of goods for other countries ² (104d)	Grants for multi-lateral trade and economic development (104e)	Payment of United States obligations ² (104f)	Loans for multi-lateral trade and economic development (104g)	International education exchange (104h)	Translation and publication (104i)	Information and education (104j)
Indonesia.....	97.8	1.0	2.0				17.1	77.4	.3		
Iran.....	12.8	.2		5.9			3.3	2.5	.7		
Israel.....	51.6	.4			(²)		14.4	36.8			.2
Italy.....	120.4	2.7	1.0		² 10.0		23.3	82.4			1.0
Japan.....	151.5	3.3		(⁴)	10.9		⁵ 26.3	108.9	2.1		
Korea.....	81.6	.5		65.1			14.5		.9		.6
Netherlands.....	.28	.25					.03				
Pakistan.....	120.7	1.7		74.3			18.8	23.6	1.0	.3	1.0
Paraguay.....	3.0	.2					.5	2.2	.1		
Peru.....	13.5	.7					2.6	9.7	.5		
Portugal.....	7.1	.3					3.1	3.4	.3		
Spain.....	176.7	3.0	1.0				62.9	107.7	1.1	.5	.5
Thailand.....	2.5	.4					.65	1.0	.45		
Turkey.....	110.2	.7					50.4	54.9	1.6	.1	2.5
United Kingdom.....	27.4			(⁵)			⁶ 27.4				
Yugoslavia.....	222.3	1.0		88.8			49.5	82.7		.3	
Total agreements.....	⁴ 1,984.88	32.15	7.2	241.0	23.5	61.5	478.38	1,114.9	17.15	1.75	7.4
Uses as percent of total.....	100.0	1.6	.4	12.1	1.2	3.1	24.1	56.2	.9	.1	.3

¹ Amounts shown on this table are subject to adjustment when actual purchases and allocations have been made.

² Amounts shown in this column indicate a specified amount in the agreement for this use. Footnote 2 only shows an unspecified amount for possible procurement for 3d countries. A footnote and an amount indicate more than 1 agreement including both specified and unspecified amounts.

³ In order to provide flexibility in the use of funds, many agreements provide that a specified amount of local currency proceeds may be used under secs. 104 (a), (b), (f), (h), and (i). In some instances, possible uses under sec. 104 (d) are also included in this category. Therefore, estimates based on the best information now available are indicated above under subsecs. (a), (b), (h), and (i). Balances not otherwise distributed are included under subsec. (f). This distribution is subject to revision when allocations have been completed.

⁴ Total market value in table III differs from total in table I by the \$6 million estimated for ocean freight differential in the Indian agreement for which no rupee deposits will be required.

⁵ The Japanese agreement for the July-June year 1955-56 provides for the use of \$8.1 million and the United Kingdom agreements provide for the entire currency use under subsec. 104 (c). However, since in return for this currency use, these countries will construct and make available to the U. S. Armed Forces an equivalent value of dependent housing, the amounts are shown under 104 (f).

⁶ In some instances column totals do not add to total amount programmed because of slight differences in rounding.

Mr. ELLENDER. Mr. President, the tables show that, percentagewise, 56.2 percent was used for loans. In other words, we sold the commodities to the various countries, and we accepted from them their own currencies. Aside from the amounts we used for the purchase of goods from other countries, for military procurement, and for similar things, we loaned to the various countries 56.2 percent of the entire amount of the proceeds of the sales made to these countries; and those countries, in turn, proceeded to utilize the funds in the same manner as that in which they used funds obtained from us through our economic-aid programs.

Mr. President, I am very much disappointed that so little of these commodities has been used for barter purposes. It seems to me that greater efforts should be made and greater stress should be laid by the Commodity Credit Corporation upon obtaining something of value for these goods. Certainly, I would much prefer to have in our own backyard large quantities of either iron ore or other strategic materials than to have the agricultural commodities stored in our bins all over the country, or to have debts due us from purchasing countries.

Some of the proceeds derived from Public Law 480 sales are used for assistance in financing International Educational Exchange. That program is a good one; but it seems to me we are simply trying to do too much in that field—that is to say, in the field of education abroad. It will be recalled that when the so-called Fulbright program was first placed on the statute books, we intended to use for the purpose of that program the proceeds from the sale of surplus goods we had abroad, such as

material of war. We intended to make good use of the proceeds of those sales in the countries which owed the money to us. Our intention was to use the greater portion of the money to help educate the people of the countries which had purchased the goods from us. But now we are using the proceeds from the sale of surplus commodities in order to assist colleges abroad, which have been both built and supported by means of private funds furnished by philanthropists from all over the United States.

Mr. THYE. Mr. President, will the Senator from Louisiana yield to me?

The PRESIDING OFFICER (Mr. DOUGLAS in the chair). Does the Senator from Louisiana yield to the Senator from Minnesota?

Mr. ELLENDER. I yield.

Mr. THYE. The Senator from Louisiana has referred to the Fulbright student exchange program. Will not the Senator from Louisiana agree with me that that program has been an excellent one?

Mr. ELLENDER. Oh, yes; I do not doubt it. I merely intended to show that this program developed from the fact that we had abroad large amounts of funds which could be used for the purpose of educating students abroad. But, as in the case of all such programs, this one mushroomed. Today, in addition to the amount of money we are spending on the so-called Fulbright program, we are spending large amounts under the Smith-Mundt program, and it is continuing to increase.

As I have stated, we have added a second program to the first one; we have done so in order to assist private constructed colleges abroad. There is no telling the extent to which this program

will mushroom, unless we watch it very carefully.

Mr. THYE. Mr. President, will the Senator from Louisiana yield further to me?

Mr. ELLENDER. I yield.

Mr. THYE. Under the Fulbright student exchange program, by means of the funds devoted to that program I believe the United States has gained greater acceptance in foreign countries—both as a result of having students from those countries come to the United States and learn about our country and about our free enterprise system of government and about the economy and way of life of the United States and the opportunities in the United States, which far excel anything existing in the other countries of the world. I believe the money going into that program will accomplish more than the money we have spent on other programs, in terms of winning us friends and better understanding and greater acceptance by the other countries of the world. Therefore, I believe that any part of the funds which is used for the student exchange program will result in a greater return and in greater security to our country, by way of increasing the understanding of the United States by foreign countries, than could be obtained by means of any expenditures we could make on national defense or by any other means we might undertake, through the expenditure of funds, to secure a better understanding of the United States among the other nations of the world.

Mr. ELLENDER. Mr. President, I am in general agreement with what my friend, the Senator from Minnesota has said.

I am merely trying to demonstrate how these programs grow and mushroom. If

it had not been for the existence of this United States program abroad, I do not think anyone would have thought of giving any of the funds of our country to a privately endowed college in a foreign land. However, since such programs have begun, after we exhaust the funds resulting from the sale of our surplus commodities abroad—and I hope that our surplus stores will be sold soon—such countries will desire to have the programs continued. In short, Mr. President, once a man puts his foot in the door, he cannot remove it; his foot is stuck there. That is what I am complaining about.

Mr. THYE. Mr. President, will the Senator yield further?

Mr. ELLENDER. I yield.

Mr. THYE. In the column that is itemized, there is a provision for international educational exchange, \$17.15 million.

Mr. ELLENDER. That is the one I am talking about.

Mr. THYE. That is for student exchange or educational opportunities for youth in foreign countries. Of all of the items listed, I believe that one will buy as much understanding of, and as much friendship for this country, as will any dollar we have spent. The greatest portion of the huge amount of \$71 billion-plus in the budget is for military expenditures, or for paying interest on the national debt incurred as a result of previous military actions, or for veterans' care. If we are confronted with such huge appropriations because of the fact that there were wars and misunderstandings between nations, would it not be better for us today to endeavor to bring about understanding between the other nations of the world and the United States? Through such general understandings as may be brought about through student exchange, we may be able to spare future generations the sacrifices that generations in the past, both in World War I and World War II, were obliged to make, in addition to which the United States incurred obligations on which we are paying more than \$7 billion a year in interest alone.

Therefore, Mr. President, I think there is some wisdom in the use of our blessed surpluses in this way. I use the word "blessed" advisedly, for we are blessed as a nation when we have such surpluses, although the greatest problem with which we are confronted is control of the production the Nation so as not to have further surpluses. When we are so blessed, is it not better to take a part of the surpluses and use them so as to make it possible for other nations to understand what makes free enterprise work so successfully and produce so abundantly. Only through student exchange will we be able to bring about such knowledge, or a reinterpretation of it, since many persons do not understand what it is that makes our free enterprise "click" in the manner it does. So I think we are doing a pretty good job when we use surpluses in this manner.

Mr. ELLENDER. I am not arguing with that statement, but suppose 2 years from now we have no commodities to ship under this program. We have been spending in those countries 17 or

18 million dollars. Does the Senator not think they will expect us to continue it? That is what I am talking about. If a father today does not have sufficient funds to send his boy to college, the boy does not go to college. What will happen when our surplus is disposed of? We are spending so much abroad for various endeavors. If we had the money to spare, I would say, "Good. Let us go to it." But what I am thinking about is the near future. I am for the Fulbright program. I am for the Smith-Mundt program. I voted for them. But it seems that when we start programs of that kind, there is no end to them.

As I pointed out in my recent report on overseas operations, Finland is an example of what so frequently happens. Finland owed us quite a bit of money as the result of loans made during World War I. Finland was paying us every year in dollars, but some Members of the House of Representatives introduced and Congress enacted a bill whereby, instead of letting Finland continue to pay its debt off as she had in the past, we now spend the proceeds of that debt to educate the Finns. That is all right. But, in addition to and over and above that amount, we are spending money from the Fulbright program money from the Smith-Mundt program, and money from this program of selling surpluses for foreign currency. We have in one country at least 4 or 5 different programs. I happen to think we are overdoing it. That is all I am complaining about. I agree that these programs may be good. They are all good, but I am thinking of the taxpayers of the United States and our ability to continue to support all these programs.

Today these programs are taking root in various countries. When these surplus commodity sales come to an end, my guess is that some effort will be made to continue such programs and take the money from the Treasury. That is what I am complaining about.

Mr. President, as I pointed out a while ago, this \$17.15 million for international education exchange may be money well spent, but in addition to that, we have the information and education service, on which we spend \$7.4 million, or 0.1 percent of the entire amount of sales of these commodities. What is that money used for? It is used to make contributions for the upkeep of colleges built abroad by contributions from philanthropists in the United States. Start expanding that program and see how much money we shall have to spend in that line.

I do not mind spending something for that program. I know the good that comes from it. But once we start a program of that kind, our "do-gooders" do not know when to stop. It keeps on snowballing until we are spending a good deal more than we expected to.

Mr. JOHNSTON of South Carolina. Mr. President, will the Senator yield for a question?

Mr. ELLENDER. I yield.

Mr. JOHNSTON of South Carolina. I gather from what the Senator from Louisiana is saying he is not against the Fulbright program, but what he is in favor of is trying to cut just a little bit

off the giveaway programs. We will probably have to pay for them later on, and now is the time to start cutting them.

Mr. ELLENDER. Yes. I am going to cover that point in a few minutes.

All the commodities disposed of under title I, I consider more or less a giveaway, except we do get some funds to be used for payments for United States obligations, and that amounts to about 24.1 percent. But let us consider the loans we are making to these various countries, which account for about 56.2 percent of the amount of money received for sales under title I. All those funds are loaned to various governments. I hope they will repay those loans, but I doubt that they will. They will find some way to use the funds, and continue to use them as they have been using foreign aid.

I repeat, it is my hope that the Committee on Foreign Relations, when it reports a bill authorizing the expenditure of more funds for foreign aid in any form, whether it be military or economic, in any part of the world, will take into consideration the expenditures we make as a result of lending back to purchasing countries funds derived from sales of surplus commodities.

These moneys are used as an additional source of economic aid, and the Congress should certainly be able to reduce our dollar appropriations for so-called mutual security by viewing that program in connection with Public Law 480. In other words, if our planners have determined that, say, \$30 million is needed for country A under the mutual security program and country A is receiving \$10 million in local currency loans under Public Law 480, then we should certainly be able to reduce the original \$30 million requested for country A by some amount. As now operated, the economic assistance loans under Public Law 480, coupled with dollar grants or loans under the mutual security program enable our planners to maintain a vastly greater aid effort than we in Congress sometimes realize.

In Korea, for example, we have used dollar assistance provided under defense support to build flour mills; we are using technical assistance funds to train personnel to operate those mills. In addition, Public Law 480 makes it possible for us to "sell" wheat to Korea to be ground into flour in those mills—because Korea produces no wheat—and then turn right around and lend back much of the local currency paid to us for that wheat to the Korean Government for a number of purposes. It strikes me that in too many cases this is nothing more than a heads-we-lose, tails-we-lose proposition.

I remind Senators that much of the money derived from sales under title I of Public Law 480 are used for such things as economic development and military assistance. Therefore, surely we should take these amounts into consideration when voting dollars for foreign aid.

Second, the bill would extend title II for 1 year, to June 30, 1958, and increase the authorizations under title II by \$300 million, to a total of \$800 million.

Title II provides for the use of surplus agricultural commodities owned by the

United States in furnishing emergency assistance to friendly peoples in meeting famine or other urgent or extraordinary relief requirements. About \$300 million worth of commodities have been used in this program, so that the bill would restore the original authorization. This authority has been used to help feed Hungarian refugees in Austria, alleviate distress caused by floods in Afghanistan and Iran, and furnish relief to Bolivia and Tunisia.

Third, the bill would repeal section 304 of Public Law 480.

As I understand, the distinguished Senator from California [Mr. KNOWLAND] has offered an amendment to strike from the bill the language which would repeal section 304 of Public Law 480.

Section 304 requires the President to exercise his authority under the act so as to assist friendly nations to be independent of trade with Iron Curtain countries, and so as not to increase the availability of commodities to unfriendly nations. Repeal of this section has been requested by the President so as to permit barter with, and donations under section 416 of the Agricultural Act of 1949 to satellite countries.

These donations, under section 416 of the Agricultural Act, are of such commodities as are apt to deteriorate before they can be disposed of in normal channels, and they are used for relief purposes.

Title I transactions are restricted to friendly countries, so that section 304 has no effect upon them.

I wish to repeat that, Mr. President. The repeal of section 304 would not affect any part of the law except the barter provision and the section 416 donation provision. In other words, this provision permits the President, if he desires, to obtain strategic materials from satellite countries, on terms that he himself proposes—if he can obtain them—and other goods of value, in return for the surplus commodities. Mr. President, it is my contention that by such procedure we would be at least getting something for these surplus commodities, and we would at the same time be assisting people who, I think, are friendly toward us.

Mr. President, I have, in the past 3 or 4 years made as many as 3 trips to some of these satellite countries. I have mingled with many people in Rumania, Hungary, Czechoslovakia, and Poland. If I were in the position of the Russians, I would hate to get into a war and have to depend upon the people of Poland, or the people of Czechoslovakia or Hungary or Rumania for assistance. I say without fear of contradiction that the majority of those people are friendly to the United States. They like us.

I do not believe that the Congress ought to do anything to prevent the President from bartering or donating some of these surplus goods in order to relieve famine and in order to relieve the distress of those people in those countries. And that is all the authority would be used for. We would, in other words, receive strategic materials from the peoples of those countries in exchange for some of our surplus goods, and we could help them with section 416

donations. As I have stated, this authority would not apply to title I or title II of the bill, but solely to title III, which deals with barter.

Mr. AIKEN. Mr. President, will the Senator yield?

Mr. ELLENDER. I yield.

Mr. AIKEN. Is it not the fact that the imports from satellite countries today are paid for in dollars?

Mr. ELLENDER. It is.

Mr. AIKEN. Poland and the other countries sell to the United States, and for those imports we pay dollars?

Mr. ELLENDER. The Senator is correct.

Mr. AIKEN. There has been a prohibition on bartering and paying by the exchange of goods which are in surplus in the United States.

Mr. ELLENDER. The Senator is correct.

Mr. AIKEN. However, those countries are able to use the dollars they receive to buy the same goods on the world market.

Mr. ELLENDER. That is correct.

Mr. AIKEN. I realize this prohibition was originally put into the law with the thought that its administration would hurt the U. S. S. R. Communist Government and help us, but it has worked out to be exactly the reverse; it has hurt our position in the world and played directly into the hands of the Soviet Government.

Mr. ELLENDER. Mr. President, as the Senator from Vermont has stated, if we are to deal with those countries, it ought to be through a barter arrangement. This is a grand opportunity for us to receive value in exchange for these commodities.

Mr. AIKEN. Mr. President, will the Senator yield again?

Mr. ELLENDER. I wish to say that after the committee considered this particular section of the bill, the committee was unanimous in voting to report this bill.

I wish also to invite attention of Senators to the fact that last year we passed a bill with a similar provision. The bill was not far different from what is proposed now. The bill of last year, which the Senate passed by a voice vote, would have permitted barter with satellite countries for surplus commodities.

Mr. JOHNSTON of South Carolina. Mr. President, will the Senator yield?

Mr. ELLENDER. I yield.

Mr. JOHNSTON of South Carolina. Is it not true that the satellite countries possess items the United States needs?

Mr. ELLENDER. The Senator is correct.

Mr. JOHNSTON of South Carolina. By using the barter system we could exchange goods which the United States now has in surplus.

Mr. ELLENDER. The Senator is correct.

Mr. JOHNSTON of South Carolina. Is it not also true that the United States is selling some of the same items to some countries, which are, in turn, selling them to countries with which we desire to do business at the present time?

Mr. ELLENDER. I do not know that of my own knowledge, but I have heard it said, as has the Senator from South

Carolina. I have no direct knowledge of it, but I do know that some of our friends across the seas are bartering and selling not only food but many other commodities as well.

Mr. JOHNSTON of South Carolina. The English, for instance.

Mr. ELLENDER. I so understand.

Mr. JOHNSTON of South Carolina. They claim to be doing business now with those countries.

Mr. ELLENDER. One of the committees of the Senate, under the chairmanship of the able Senator from Arkansas [Mr. McCLELLAN] learned that a good deal of copper had been so sold.

Mr. JOHNSTON of South Carolina. The English make no apology for the fact that at the present time they are doing business with those countries, through a bartering arrangement.

Mr. ELLENDER. As a matter of fact, when the President met the Prime Minister of England in Bermuda some time ago I understand there was quite a discussion as to whether or not trade with China and other countries should be resumed. I would not be at all surprised if that were to come to pass.

Mr. AIKEN. Mr. President, will the Senator yield?

Mr. ELLENDER. I yield.

Mr. AIKEN. Does the Senator not recall that in 1955 Czechoslovakia and possibly other satellite countries needed cotton, of which the United States had a surplus? We could not barter with them, to see that they obtained cotton. The upshot of the matter was that Czechoslovakia made a deal with Egypt for the Egyptian cotton crop, and paid for it with arms, which resulted in Egypt's being fairly well armed.

After making the deal on the cotton, it appeared that Czechoslovakia did not require the entire Egyptian crop, although the deal had been made for all of it, or practically all of it, so they sold that cotton they did not need to the users in Western Europe, including Great Britain, at a price which was lower than the United States selling price for cotton. The result of that procedure was that the United States exports of cotton for the year August 1, 1955, to August 1, 1956, were nearly the lowest in history.

We simply bit off our nose to spite our face. We strengthened the relations between Egypt and the Communist Nations. We practically forced them into the arrangement. We would neither sell the cotton to Czechoslovakia nor the arms to Egypt. I think we have to assume much of the responsibility for what has occurred over there as the result. We did not hurt the Soviet Union at all; we strengthened them by that maneuvering and by that prohibition.

Mr. ELLENDER. In connection with the statement of the Senator, I distinctly remember having received quite a few letters from the cotton interests of New Orleans, indicating that cotton was sold in England at a price just a little under our own price here.

Mr. AIKEN. And it was Egyptian cotton, which we forced them to buy.

Mr. ELLENDER. We lost that market; there is no question about that.

Mr. AIKEN. And on the other hand the Communists could sell that cotton for whatever price they wished to ask, inside the satellite countries, because they were sure we could not enter that market.

Mr. ELLENDER. Mr. President, in connection with what I have been saying, and following my remarks, I should like to place in the RECORD a letter from Mr. E. L. Butz, who is Assistant Secretary, dated March 26, 1957, on this same subject, in which he urges that section 304 be repealed.

There being no objection, the letter was ordered to be printed in the RECORD. (See exhibit 1.)

Mr. ELLENDER. Title II specifically provides for donations to friendly populations without regard to the friendliness of the governments, so section 304 has no effect on title II donations. I repeat, it refers only to title III, which is the barter provision. The administration has found, however, that some barter transactions with satellite countries, which would assist them in becoming free of reliance on the Soviet Union, have been impeded by section 304.

Also some section 416 donations which could have been made to the Hungarian people and others have been impeded by this provision. The donations under section 416 of the Agricultural Act of 1949 consists of certain commodities which might go sour on us, or spoil before they can be sold through the regular channels of trade. There is a little trouble in that connection, and that is why the administration feels the repeal of section 304 would be of assistance. The Department of Agriculture advises that repeal of this provision would be helpful in reaching our foreign policy objectives.

We have asked the Department of Agriculture for an estimate of any additional expenditure required by the bill, but such an estimate is very difficult to prepare. I think the Republican Policy Committee has requested that the Senate be notified of the cost of all bills. It is pretty difficult to estimate the cost of this bill, and what will be recovered from the various countries to which we lend back the sales proceeds, but there is involved as much as \$1 billion. How much of that we will get back is problematical. Insofar as the increase of the amount under title II is concerned, of course, that is more or less in the nature of donations. If we make all of that amount available, we shall be short that much. As I stated a while ago, we started by providing \$500 million, and what we are now doing is restoring the amount to what it was when we first enacted the bill, 3 or 4 years ago.

Many of the commodities which will be sold or donated under the bill are already in the hands of the Government, so the expenditure has already been made. A substantial part of the foreign currency acquired under the bill will be used to pay United States obligations incurred under other laws, so in effect we shall be using commodities we already own in lieu of appropriated funds.

Due to the urgency of this legislation, its passage should not be delayed until this information has been compiled.

Mr. President, I have nothing to add to what I have said, but I shall be glad to answer further questions, if there are any.

EXHIBIT No. 1

MARCH 26, 1957.

HON. ALLEN JOSEPH ELLENDER, Sr.,
Chairman, Committee on Agriculture
and Forestry, United States Senate.

DEAR SENATOR ELLENDER: This is in response to your request concerning our recommendation to repeal section 304 of the Agricultural Trade Development and Assistance Act of 1954, as amended.

Section 304 of the act requires the President to exercise his authority under Public Law 480 so as to assist friendly nations to be independent of trade with the U. S. S. R. or nations dominated or controlled by the U. S. S. R. and so as not to increase the availability of commodities to unfriendly nations. The section thus precludes barter transactions involving such countries as well as distribution of commodities therein under the section 416 voluntary agency program.

Repeal of this section would permit us to offer commodities on a barter basis to Eastern European countries when clearly in our interest to do so. Although our opportunities here would not result in substantial dispositions of surplus agricultural commodities, our willingness to enter into such transactions could be especially advantageous from a political standpoint. If entered into, such transactions would be beneficial because they would assist satellites in becoming more independent of the U. S. S. R.; they would also, to a great extent, displace sales of like commodities that the U. S. S. R. would have made.

Repeal of section 304 would not affect the provisions of title I of Public Law 480. Sales for foreign currencies would continue to be restricted to friendly nations. A "friendly nation" is defined in section 107 of the act as any country other than the U. S. S. R., or any nation or area dominated by the foreign government or foreign organization controlling the world Communist movement.

The deletion of section 304 would enable us to use section 416 authority (section 302 of Public Law 480) to furnish commodities quickly to distressed peoples in satellite countries under circumstances such as those existing during the recent Hungarian revolt.

Sincerely yours,

E. L. BUTZ.

Mr. KNOWLAND. Mr. President, I rise to speak on the pending bill. My remarks are directed primarily to the amendment which I have offered.

I heartily agree with much of what the Senator from Louisiana has said regarding the merits of Public Law 480. I supported that legislation from its very inception, urged action on it, and helped to expedite it when it was first reported to the Senate.

Subsections (1), (2), and (3) of the pending bill would both extend the date for 1 year and also increase the amount, so that there would be additional authority. I concur in the objectives of those subsections, and shall support them, so they are not at issue.

The issue hinges on subsection (4), which appears on page 2 of the bill as reported from the committee. My amendment would merely strike out line 4, which reads as follows:

(4) Section 304 of such act is deleted.

The Senator from Louisiana and other Senators who have spoken have pointed out that this has been a rather

effective act. It has been effective with section 304 intact. I submit that what we are doing is meeting for the first time, in a preliminary skirmish, a basic question of foreign policy which will confront the Senate again and again at this session of Congress, and perhaps in the future. Regardless of what we may do, I believe this issue will also be confronted in the House of Representatives, and perhaps in a solemn referendum of the American people themselves in 1958 or 1960.

The basic issue involved is whether or not the Government and the people of the United States, bearing the very heavy burdens they are required to bear, will not only continue but will expand the foreign-aid program. We have been very generous with foreign aid since the close of World War II, to the extent of \$50 billion. The issue is whether or not we shall not only continue a program with those associated with us in an effort to maintain a free world of free men, but also try to maintain those countries which are not associated with us among the so-called neutral nations of the world. I agree that we must continue to help the neutral nations for some time to come.

However, the basic issue involved, though it may not be so clear today, is whether we are now to embark upon a program of supporting the political and economic system of international communism in the countries which are behind the Iron Curtain today.

That is the basic issue which I think we confront. For example, consider the case of Poland at the present time. It is behind the Iron Curtain. It is under Soviet occupation, with the government of Mr. Gomulko. It is true that Mr. Gomulko is a nationalist Communist of Poland, and there are some who make the argument that because he has made slight deviations from Soviet control, therefore we would be justified in giving him not only some surplus agricultural commodities, but some economic assistance as well, from the American taxpayers. That question will be argued at the proper time. It is not specifically involved in connection with that one country.

What do we do if we follow the recommendations of the committee and strike out section 304 of the act? We open up economic support by surplus agricultural commodities to all the satellite governments, including the government of Mr. Kadar, in Hungary, which has so ruthlessly suppressed the freedom of the Hungarian people.

In the case of Poland the figures which I have, which I believe to be reliable, indicate that during the past few years the Soviet Union has drawn out of Poland agricultural resources of the value of approximately 16 billion rubles. At the current rate of exchange—and I realize, of course, that the ruble is overvalued by any legitimate standard—that means about \$4 billion. In other words, the Soviet Union, as is customary, is stripping its satellite states of their resources. What we are proposing to do is to bolster the Soviet economy and enable it not only to undermine our friends

abroad but also neutral nations, because we would replenish the stocks of countries behind the Iron Curtain which the Soviet Union is stripping of resources.

I admit that others may have a different point of view. However, I say this is the opening skirmish in a great debate on public policy, particularly as to whether the money of the American taxpayers, which we have very generously given to our allies, and which we have also very generously given to neutral countries, should now be used on a program of sustaining the economic systems of Communist countries behind the Iron Curtain.

It is true that we have given economic support to Yugoslavia. However, there is a distinction to be noted. Yugoslavia, of course, has a Communist government. However, Yugoslavia, at least, is not under the occupation of the Soviet military forces. Once we set the precedent of extending aid to countries which are under Soviet military occupation, we will be asked to do in Hungary and in Rumania and in Czechoslovakia and in Albania and in other countries what we are doing in Poland.

Mr. YOUNG. Mr. President, will the Senator yield?

Mr. KNOWLAND. I shall be glad to yield in a moment. First, I should like to make this point. I know the committee has had considerable concern with this question.

Only a short time ago, while I was serving as a delegate at the United Nations, the Soviet Union introduced a resolution in that body. It came before the political committee of which I happened to be a member at the time. The resolution, which was offered by the Soviet Union on behalf of itself and certain other countries, reads, in part, as follows:

1. Condemns the subversive activities of the United States of America against other states as contrary to the United Nations Charter and incompatible with the principles on which relations between states should be based.

I ask unanimous consent that the entire resolution be printed in the RECORD at this point.

There being no objection the resolution was ordered to be printed in the RECORD, as follows:

COMPLAINT BY THE UNION OF SOVIET SOCIALIST REPUBLICS OF INTERVENTION BY THE UNITED STATES OF AMERICA IN THE DOMESTIC AFFAIRS OF ALBANIA, BULGARIA, CZECHOSLOVAKIA, HUNGARY, POLAND, RUMANIA, AND THE UNION OF SOVIET SOCIALIST REPUBLICS, AND ITS SUBVERSIVE ACTIVITY AGAINST THOSE STATES

UNION OF SOVIET SOCIALIST REPUBLICS: DRAFT RESOLUTION

The General Assembly,

Noting with anxiety the recent aggravation of the international situation and the deterioration of relations between states;

Noting that this situation has been caused, among other things, by the subversive activities of the United States of America and its intervention in the domestic affairs of the people's democracy;

Considering that the states members of the United Nations are bound under the charter "to practice tolerance and live together in peace and with one another as good neighbors";

Recalling that in its resolution 110 of November 3, 1947 the General Assembly con-

demns "all forms of propaganda, in whatsoever country conducted, which is either designed or likely to provoke or encourage any threat to the peace, breach of the peace, or acts of aggression";

Taking also into consideration the fact that the General Assembly on December 17, 1954, recommended to member states the international convention on the use of broadcasting in the interests of peace of 1936 in which the contracting parties "mutually undertake to prohibit and, if necessary, to bring to an immediate stop in their respective territories any transmission which could, to the detriment of proper international understanding, instigate the inhabitants of any territory to acts contrary to the internal order or security of the territory of one of the high contracting parties";

1. Condemns the subversive activities of the United States of America against other states as contrary to the United Nations charter and incompatible with the principles on which relations between states should be based;

2. Calls upon the United States Government to cease its subversive activity and its intervention in the domestic affairs of other states on any pretext and to develop its relations with these states in accordance with the principles of the United Nations charter.

Mr. KNOWLAND. The resolution came to a vote before the political committee on the 27th day of February of this year. Voting in favor of the resolution were Albania, Bulgaria, Byelorussia—Union of Soviet Socialist Republics—Czechoslovakia, Poland, Rumania, the Ukraine—Union of Soviet Socialist Republics—and the Union of Soviet Socialist Republics.

All these countries, with the exception of the Soviet Union, would be eligible for assistance if section 304 of the law were repealed. I question very much whether it is advisable for us to bolster the economic systems of the countries behind the Iron Curtain as long as they are under Soviet occupation.

It seems to me that by doing so we would lose one of our great bargaining powers ultimately to get the Soviet army to withdraw from the satellite nations. The greatest hope of freedom of the people of the captive nations is that one day the Soviet Union will withdraw its military forces. If the Soviet Union ever gets the idea that it can keep its forces in those countries, and that at the same time we will relieve the Soviet Union of the burdens and the disturbances behind the Iron Curtain, by picking up the check, so to speak, for the inefficiency of the Soviet Communist economic system, we will have to kiss goodbye any hope of ever getting the captive nations from behind the Iron Curtain.

If, as some persons contend, the Soviet Union is forced to send foodstuffs into the captive nations to prevent their populations from becoming too restless, we would be relieving the Soviet Union of that obligation if we were to repeal section 304.

If, on the other hand, the Soviet Union is withdrawing foodstuffs from the captive nations, then, in effect, we would be letting the Soviet Union drain off foodstuffs on the one hand, while, on the other, we would replenish the food stocks in the countries involved.

That does not seem to be a logical performance. As I say, this is merely the opening skirmish, because we will have

other proposals made for economic aid when the foreign aid bill comes before the Senate, and those proposals will be not only with reference to agricultural commodities, but also with reference to funds from the American taxpayers, which, in effect, would be used to bolster the economies of the political systems of those countries.

One of the great crises which exists in the Soviet Union itself is the failure of its agriculture, because its agriculture has been collectivized. The farmers have had taken from them their incentive. They have been driven into slave labor to work the farms, without any hope of reward. As a result, production has fallen off.

That is one of the great worries of Mr. Khrushchev. In order to help feed the population within the Soviet Union, and to prevent restlessness in Hungary and in Poland and in East Germany, it has been necessary for the Kremlin to withdraw foodstuffs from the captive nations for consumption within the Soviet Union. It is impossible to earmark or identify a ton of wheat or ton of corn or anything else. The commodities are withdrawn from Poland and from Hungary and from Czechoslovakia, and put into the granaries of the Soviet Union. Then Mr. Khrushchev says, "Our latest 5-year plan on agriculture has been a great success."

Under this program, we would replenish those stocks in the satellite countries. If we did so, there is no assurance that the Soviets would not withdraw what we send in there. There is no assurance that the Soviets would not draw such American stocks for use in the Soviet Union.

I think that is a very material weakness so far as this situation is concerned. The subject is of sufficient importance that the Senate should at least be advised of it. This is merely the opening skirmish, as I said, because the issue itself will have to be discussed time and time again at this session of Congress. This is the first time we have been asked to open the door to the question of giving relief to the captive nations which are still under occupation by the Soviet Union.

I hope for that reason that we will reenact Public Law 480, which has done an excellent job, and that we will reenact it with the sections in it which have worked so successfully in the past.

Mr. COTTON. Mr. President, will the Senator yield?

Mr. KNOWLAND. I yield.

Mr. COTTON. A hasty study of the bill seems to indicate that perhaps there is a possibility, indeed, it may be a fact, that the section toward which the Senator's amendment is directed would not have any impact on title I and title II of the bill. In other words, it is my understanding—and I hope the Senator will correct me if I am in error—that title I of the bill, which has to do with sales for foreign currencies, is now restricted to friendly nations as defined in section 107 and that under that definition, with or without section 304, Yugoslavia and perhaps even Poland, would be entitled to receive commodities under title I.

Furthermore title II, having to do with famine relief, applies to friendly populations without regard to the friendliness of their governments.

Is it a fact, or is my understanding incorrect, that section 304, to which the amendment of the Senator from California applies, deals only with title III, and still leaves the possibility of having those countries receive benefits under title I and title II of the bill?

Mr. KNOWLAND. So far as the famine-relief section is concerned, the Senator from New Hampshire is correct. I have no objection to that, because the American people, over a long period of years, by reason of their humanitarian instincts, have been prepared to feed hungry people wherever they might be. As a matter of fact, as the able Senator from New Hampshire will recall, during the 1920's the United States sent food even into the Soviet Union itself in order the feed the hungry people of Russia because there had been a failure of the collectivization of the farms.

Our action at that time was under the leadership of Mr. Herbert Hoover, who established a relief mission. But we made sure at that time, by having the program properly supervised, that the food for hungry people went to all the Russians who were hungry, and not merely to members of the Communist Party.

I think on any future occasion, whether such a program be under the sponsorship of something like the old Hoover Commission, or under the International Red Cross, or under the associated Catholic agencies or associated Protestant agencies or the Friends' Service committees—however the program might be conducted—the American people and Congress would respond to any plea to assist hungry people so long as we were certain that all hungry people were being fed, and that the food was not to be used as a political weapon to punish non-Communists, while members of the Communist Party were being cared for. So that problem is not involved, in any event.

So far as the other section is concerned, I think there is a grave doubt as to whether the finding that Poland has a friendly government can be sustained. Since the date of the Secretary of State's letter on that subject, Poland itself has done several things. First, through its representative in the United Nations, Poland has voted for a resolution condemning the United States of America. Second, the Gomulka government has gone on record as approving the use of Soviet force in Hungary and of the repression of the freedom of the Hungarian people. With that record having been made, I have some doubt in my own mind, if the matter were again put before the Secretary of State, whether he could make the same finding now as he did in December, when the issue was before him.

Mr. COTTON. I appreciate the Senator's statement; it clarifies my thinking greatly.

I note that section 107, as used in the act, states that—

"Friendly nation" means any country other than (1) the U. S. S. R., or (2) any

nation or area dominated or controlled by a foreign government or a foreign organization controlling the world Communist movement.

If that section means what I assume it to mean, a decision by those charged with making a decision in this country, regardless of the very important facts which the Senator from California has just emphasized, that Poland's Government was not dominated by the U. S. S. R., or a decision that a certain regime in Hungary or some other country was not dominated by the U. S. S. R. would make that country eligible for this program regardless of whether the Senator's amendment was agreed to or not.

Does the Senator's amendment do the whole job, or is there a loophole left in section 1?

Mr. KNOWLAND. No. I agree with the Senator that there might very well be a loophole in dealing with section 107, to which the Senator has referred. I think that when the matter was under debate in Congress, no one surmised that a situation would arise such as has arisen under the Gomulka government, in which elections were held which admittedly were not free elections. Only one choice of a ticket was given to the people, and that was a Communist ticket. The people were told that if they did not vote for that ticket, the Soviet Union might be more repressive toward them. So the people of Poland were voting with a gun at their heads.

Furthermore, the present government, as I have pointed out, has endorsed the Soviet repression of freedom in Hungary, and subsequent to the time when the letter was written by the Secretary of State, the Polish Government instructed its representative at the United Nations to condemn the United States.

It seems to me that if there was any case upon which to hang the hat of belief that they were following an independent course, that case has been exploded.

Mr. COTTON. Then I take it from the Senator's very full and illuminating answer, for which I am very grateful, that the amendment of the Senator from California, in his opinion, fully takes care of title III, and is not intended by him to affect title II, and perhaps does not apply to title I.

Mr. KNOWLAND. The Senator is absolutely correct. I do not want to foreclose the American people from helping hungry people anywhere in the world, so long as we can be certain that there is a famine, and so long as we can be certain that the relief will go to all the people, and that no non-Communist will be discriminated against because of his not being a Communist.

Mr. YOUNG. Mr. President, will the Senator yield?

Mr. KNOWLAND. I yield to the Senator from North Dakota.

Mr. YOUNG. It is not very often that I disagree with the senior Senator from California on international matters, but I must disagree with him in this case. Under the present law, we can give to Poland or any other Communist dominated country, but we cannot barter with or sell to them.

Mr. KNOWLAND. Will the Senator permit me to make one interjection?

Mr. YOUNG. Yes.

Mr. KNOWLAND. I doubt very much whether, under the law as passed by Congress, the debate in Congress, and the statement of congressional intent, the United States can give to any Communist countries under the present law.

Mr. YOUNG. But some 2 or 3 years ago we did give food to East Berlin, which was Communist-dominated.

Mr. KNOWLAND. That is correct; but that, again, involved a famine-relief type of situation.

Mr. YOUNG. I would agree completely with the Senator from California if we were embarking upon a foreign-aid program, with respect to Communist-dominated countries, but I do not think we are. I hope we will leave entirely to the discretion of the President of the United States whether or not we shall enter into agreements.

But this is the situation which confronts us now: Some 2 years ago the United States imported \$15 million worth of hams from Poland. Poland received United States dollars in return, but then went to Canada to buy their food. Would it not have been far better to trade our surplus agricultural commodities in exchange for hams rather than to give to Poland dollars which Poland could turn over to Russia? It seems to me that if the Department of Agriculture were permitted to barter our surplus commodities with Communist countries, we would benefit a great deal.

Mr. KNOWLAND. As is the case with many other public questions, there is certainly room for an honest difference of opinion in this instance. But certainly this is a basic question. The success of any government, whether it be a free government or a Communist government, depends somewhat on the economic stability of its people. I think the Senator from North Dakota will agree with that statement.

What causes a maladjustment of the economic situation? It can be either a falling off of industrial production, or a falling off of agricultural production. It can be the overproduction of agricultural commodities, for that matter.

I believe the Soviet Union is confronted with the problem of the failure of agriculture in that country. If it is correct, as I believe it is, that Soviet Russia has stripped a good many of the captive nations of their commodities, in order to bolster the Soviet Union, then it seems to me that what we are doing, in effect, is building a platform under the Communist economic system, which, in turn, will strengthen the Communist political system, so that the Communist leadership, whether it be in the Soviet Union or in Poland, in Czechoslovakia, Bulgaria, Rumania, or Hungary, can say to the people—because the Soviet Union will not have the goods earmarked as to where they came from—"We are now a success. We have entered into our second 5-year plan, and communism is working."

There is one additional factor I wish to point out to the very able Senator from North Dakota. I have said that this is the first time we have embarked upon such a program behind the Iron

Curtain, in a country where the Soviet Union is now in military occupation.

It is true that the United States has given economic aid to Yugoslavia. I have heretofore said that there is a clear, understandable, and, I think, considerable logical differential, namely, that Yugoslavia is not under Soviet military occupation, and, therefore, we have some assurance that what we send to Yugoslavia will not go to the Soviet Union.

But once we send materials behind the Iron Curtain, and once we start bolstering and supporting the economic system which supports the political system of communism, then at the time, let us say, of the next Italian election, what argument will the Communist Party of Italy make? The members of that party will say, "Why not vote Communist? After all, the United States is embarking not only on a program of shipping foodstuffs to various countries, regardless of whether they are Communist; but even in the case of a country under Communist control the United States is sending it foodstuffs. So why not vote Communist?" I think that would be a potent weapon in the hands of forces attempting to put other countries under the control of the Communists.

Mr. YOUNG. I agree; and I think we must use great discretion, if we permit our foodstuffs to be sent into Communist-dominated countries. But if we administer the program wisely, I think we can make many friends abroad, and can make such countries more dependent upon us, by utilizing this program.

Mr. KNOWLAND. If this is done—and today the Senate may well vote to do it—I hope the Senator from North Dakota is correct and I am incorrect. However, I have lived long enough to see what happens when the camel gets his nose under the tent. I do not claim to have a crystal ball or to have any ability to foretell the future. However, I predict here and now that the step now proposed will, if taken, be only the opening operation leading later to the giving of economic aid to Poland, not in the form of surplus commodities, but in the form of dollars added to the foreign-aid program, or subtracted from the aid which otherwise would go to some of the countries friendly to us. If once we extend such a program to Poland, I predict that within 1 or 2 years thereafter we shall not have a valid reason for denying aid to Hungary, Czechoslovakia, Rumania, and Bulgaria, because once they see that Poland has been successful in this endeavor, they will say, "Well, we are a little independent, too. Consequently, we want to come in under a plan"—consequent Marshall-type plan, let us say, to support the Communist regimes of those countries. I may be mistaken about it, but I think this is only the opening wedge of a program which, if undertaken, will plague us in the future.

Mr. YOUNG. It is a program about which we must exercise great discretion. But I think the program is worth trying.

Mr. KNOWLAND. If the Senator from Louisiana has had a chance to examine the situation, I believe he knows

that the countries which are non-Communist and are outside the Iron Curtain, and today either are uncommitted or are actually associated with us in the North Atlantic Treaty Organization or in some of the other pacts, have made applications to receive some of our surplus agricultural commodities; and, as the Senator has said, under the program, with the restrictions presently imposed, we are very close to the end of the authorization. If we comply with the requests of those who are our friends or who at least are not behind the Iron Curtain, we probably could use during the next year the entire additional \$1 billion, as provided in the proposed authorization. Frankly, I am not willing to have us penalize our friends or penalize the neutrals, in order to help support Communist regimes in countries under Soviet occupation.

Mr. THYE. Mr. President, will the Senator from California yield to me.

The PRESIDING OFFICER (Mr. McNAMARA in the chair). Does the Senator from California yield to the Senator from Minnesota?

Mr. KNOWLAND. I yield.

Mr. ELLENDER. Mr. President—

Mr. KNOWLAND. Mr. President, previously I promised that I would yield to the Senator from Minnesota. After I have yielded to him, I will yield to the Senator from Louisiana.

Mr. THYE. Mr. President, I find it very, very embarrassing to differ in the slightest with the distinguished minority leader. However, I wish to state that I hold in my hand the report on Senate bill 1314, and the report contains a letter signed by E. T. Benson, Secretary of Agriculture. If the Senator from California will permit me to do so at this time, I should like to read into the RECORD an extract from the letter, because the letter goes to the very heart of the question we are discussing.

In the letter the Secretary of Agriculture wrote as follows:

It is recommended that section 304 be repealed. This would place us in a position to make offers of barter transactions on a selective basis to the European satellites of the Soviet Union. It would appear that this authority would be of particular advantage, in view of recent developments in Eastern Europe. Agreements for sales of commodities for foreign currencies under title I of the act would continue to be limited to friendly countries by provisions of that title.

The Bureau of the Budget advises that there is no objection to the submission of the proposed legislation to the Congress and that enactment of such legislation would be in accord with the program of the President.

Sincerely yours,

E. T. BENSON,
Secretary.

If the Senator from California will permit me a further word, I wish to say that basically he is correct in stating that we should not take from our own economy or our agricultural production to bolster countries which are directly under the domination of the military authority of the Soviets or under the domination of the Soviet Union itself.

But if the proposed program were selectively handled—as the Secretary of

Agriculture has proposed—and if it were under very careful scrutiny by the administration, it seems to me we might be able to have the people of such countries as Poland, Eastern Germany, and Hungary incline toward us. We know that Hungary endeavored to strike off the shackles of the Soviets. It is believed that the Polish people and also the people of Eastern Germany, would do likewise. If they know that we wish to be friendly to them, I believe that over the years experience will finally show that there will be a breaking away by those people from the Soviets.

By proceeding on a selective basis of barter, I believe we might be able to aid them more and encourage them more, than if we were simply to say, "Nothing doing"—in which case the result would be, as the Senator from Vermont [Mr. Aiken] has so ably described, similar to the result in Egypt. We recall that the Russians have obtained cotton from Egypt, in exchange for Soviet ammunition and military equipment; and there was a resultant interchange between 2 or 3 countries. The upshot was that our efforts were thwarted. That was caused by imposing such a restriction. In the final analysis, Egypt turned to the Soviets, because from them she was able to obtain what she wanted. She did so by exchanging her cotton for Russian implements of war—the articles for which she had attempted to barter.

Therefore, Mr. President, I think we would do better by opening the door, by means of proceeding in a cautious, selective manner, through the Department of Agriculture and the Commodity Credit Corporation, rather than by closing the door tightly, as it is now, with the lock of public opinion, under the definite statement, "You must not, because the law says you cannot."

Mr. KNOWLAND. Mr. President, in reply, I desire to state, as I did to the Senator from North Dakota, that I hope and pray that in this instance the Senator from Minnesota is correct and that I am wrong. However, not long ago some very farsighted persons pointed out that it was impossible to do business with Hitler. Similarly, I think we cannot do business with the Communist monolithic structure of either the Soviet Union itself, or its satellite captive nations, without in fact strengthening those governments and ultimately delaying the freedom of the captive peoples, because the stronger we make the Communist economy, the stronger we make the Communist government. I know of no one possessing any considerable knowledge of the facts who will say today that any of the governments behind the Iron Curtain is anything but part and parcel of the international Communist conspiracy, which has as its ultimate objective the destruction of both the economy and the political system of the United States of America.

As the Senator has said, perhaps we could open the door a little bit and experiment in the way now proposed. The Senator from North Dakota [Mr. Young] said we could do so by means of using the agricultural surpluses; but he said

perhaps we should be more careful in the case of extending economic aid which would add to the \$4,400,000,000 now proposed, for, if the Congress in its judgment decided to make a reduction, and if the aid were extended from the amount remaining after the reduction, that would mean that our friends and the neutrals would be forced to accept a further reduction, which would have to be made in order to enable us to take care of our attempts to bolster the Communist regimes.

I desire to make it clear that in what I am saying I am speaking only for myself. I am not speaking for the administration on this question here today, as the Senator has pointed out. If I had not been interrupted, I would have pointed out that the Secretary of Agriculture has asked for what is now proposed. The Department of State, I believe, would be for it, because it is in favor of going beyond what is proposed, and giving economic aid to Poland. However, I wanted to serve notice that, at least so far as I was concerned, I was not in favor of taking \$1 out of the till of the American taxpayer and bolstering any Communist regime behind the Iron Curtain.

Mr. THYE. Mr. President, will the Senator yield further?

Mr. KNOWLAND. Yes.

Mr. THYE. I would ordinarily agree with the Senator. I have such a great admiration for the minority leader, the distinguished Senator from California, that it disturbs me ever to differ with him. I want the RECORD to show that I am positive in that statement. Secondly, I admire the stand, the very courageous stand, which the Senator from California has taken on many international questions. However, in this particular instance, we are using what is a surplus commodity which we wish to barter with countries throughout the world, and to obtain from them in return products which we can well use in our economy. So it is not any more economic assistance for those countries than it is economic assistance for this country, because it is the overabundance of surpluses that is weighing down our national agricultural produce and commodity market.

Mr. KNOWLAND. Will the Senator yield at that point?

Mr. THYE. Yes; I am delighted to yield.

Mr. KNOWLAND. I think there are at least two possible fallacies in the Senator's argument. One is that it is true that if Poland wants to buy products in this country for dollars, if Poland has the dollars, or if she can get dollars from the Soviet Union, she can buy certain nonstrategic materials which are not on our proscribed list, as strategic materials are. But when such products are bought from us, the Communist world then has fewer dollars to spend in this country for subversion or espionage. We know that when the Communist world accumulates dollars, it uses them to undermine the United States and the free world. That is one point.

Secondly, again I do not know whether the Secretary of State would now write

the same kind of letter he wrote originally—which I intend to put into the RECORD in a few minutes, because today it was declassified as being no longer confidential, and I was given permission to put it into the RECORD—after the Polish representative voted as he did, and after Gomulka said he approved of the Soviet's repression against the people of Hungary in their seeking freedom. But if we can go so far as to say that Poland is a friendly country, then I do not know why it could not be said that Polish hams are strategic materials. How advisable such an argument would be in the light of a surplus of pork in this country, I do not know. The Senator from Minnesota is an expert in agriculture, and is one of the leading members of the Committee on Agriculture and Forestry, and he can perhaps better determine that question than can I. If the law could be stretched to the extent of saying Poland is a friendly country, then it certainly could be said that Polish hams were strategic materials.

Mr. THYE. It was on that point that I desired to discuss further my thoughts on the question raised. The Senator has just mentioned Polish hams. When Polish hams are imported from Poland into the United States our dollars go into the treasury of Poland. American dollars are then siphoned into the economy of the Soviet just as effectively as if our produce which is in long supply went to Poland in settlement for the Polish hams which we know come into this country, and that have come into this country in past years, in spite of our surpluses.

Mr. KNOWLAND. I will say to my good friend from Minnesota—and perhaps I may be considered a little old fashioned for saying it—perhaps if the agricultural industry of the country needed some protection from Polish hams, which in fact may be produced by slave labor, there are ways of protecting the American economy by means of old-fashioned methods, so that Poland would not get the dollars to which the Senator has referred.

Mr. AIKEN. Mr. President, will the Senator yield?

Mr. KNOWLAND. Yes; I yield to the Senator from Vermont, who is the ranking minority member of the Committee on Agriculture and Forestry.

Mr. AIKEN. With regard to the importation of Polish hams, I think the reason why they find their way into this country is that the American people like the manner in which Polish hams are prepared, and they are willing to pay dollars for them. Poland is, of course, delighted to sell the hams, for which the Americans pay with dollars, so that Poland can use the dollars to buy Canadian wheat.

Mr. KNOWLAND. I can understand some of the problems involved.

Mr. COOPER. Mr. President, will the Senator yield?

Mr. KNOWLAND. I yield to the Senator from Kentucky.

Mr. COOPER. I should like to ask the distinguished minority leader a question. I may say that I accept the statement which the Senator from California has

made with respect to the possible difficulties that the amendment to the act might bring about. However, considering the fact that in this past year we have seen evidences of restlessness in the satellite countries, does not the Senator think this proposal might offer the possibility of some intercourse between the people of our country and the satellite countries, which might further the movement we have seen in the last year toward independence in the satellite countries?

Mr. KNOWLAND. I would say, candidly, no one could dogmatically stand here and say it did not offer that possibility; but I would also, with the same candor, ask the Senator if he does not also admit there is a possibility—regardless of which possibility is the stronger—that such a move might bolster the Communist regime and make it less possible for the people to gain their freedom.

Mr. COOPER. I regret in this instance that I must oppose the amendment that the distinguished minority leader has offered. I will agree with other Senators who have stated that there is no one in this body who has fought more consistently for the cause of freedom and against totalitarianism than has the Senator from California. However, I think we have reached a very dangerous juncture in world affairs. I think the recent threat of war, the very rigid position Russia is now taking, and the ominous threat which Russia is now making toward this country have brought us to this very difficult juncture. It seems to me the only hopeful signs we have seen for many, many months, are the efforts in Poland toward some measure of independence, at least from domination by international communism, and the courageous uprising in Hungary. With the rather rigid military position which we now face, I think we have to take some risks and we have to seek perhaps, more imaginative means of reaching the people of other countries. I think it would be impossible to engage in a program such as is proposed without the people of Poland and other satellite countries knowing such a program was in effect. Also, I think food, more than any other commodity that could be made available, goes to the heart of every individual. It seems to me this proposal does offer an opportunity to encourage that restlessness which has been demonstrated in certain satellite countries this past year. Unless, somehow, we can find more imaginative methods, unless we can find some means to associate with the people of those countries, it seems to me this impasse will continue indefinitely. I accept without question what the Senator from California has said, that the net result of this program might be simply to strengthen the economy of those countries.

It might be worse than that. It could mean that an equal amount of food would go to the Soviet Union. However, I believe that what we are doing will be known by the people. They could not fail to know of it. And we would benefit accordingly.

I would say that at a time like this—when, I believe, we have a dangerous

situation in the world—we should be willing to risk a trial of these new methods. I point out we did take such a risk with our program of aid to Yugoslavia. Yugoslavia may not be what all the people of the world desire, but at least the people are independent of international communism at this date.

I respectfully suggest to the distinguished minority leader, for whom I have the greatest respect, that this affords an opportunity to embark on a new course which might produce effective results. And I should like at this time to compliment the distinguished Senator from Louisiana and the distinguished Senator from Vermont, who, as chairman and ranking minority member, respectively, of the Committee on Agriculture, have shown such outstanding leadership with this legislation.

Mr. KNOWLAND. Mr. President, will the Senator yield for one brief comment?

Mr. COOPER. I yield.

Mr. KNOWLAND. I merely wish to say to the distinguished Senator that I think it is helpful to have the discussion, regardless of the action taken. I hope in the other body the discussion will be prolonged. Perhaps we should have a national debate on the subject, for I think it is a matter of basic policy.

I remind the distinguished Senator from Kentucky, who has had great experience in foreign affairs, that not too many years ago Hitler in effect told the German people "It is a question of guns or butter", meaning that they would have to tighten up their belts in order to produce weapons of war. If we should now make the mistake of taking care of the agricultural needs of the Communist nations, in effect it could mean that the Communist governments would then draft the farmers off the soil and put them into production plants to manufacture guns, tanks, Mig planes, and potential warmaking items.

The Soviet leopard has not yet changed his spots. I invite the attention of the distinguished Senator from Kentucky to the fact that within the past 10 days the Soviet Union has threatened both Denmark and Norway with dire consequences should they take certain action which is within their sovereign rights.

I submit to the Senator that by doing something which we think will be helpful to the people of captive nations, while they are still under Soviet occupation, we may lessen our bargaining position in the attempt ultimately to free the people. We may very well be permitting the Communist rulers to draft the farmers of Poland.

The Poles are wonderful people. I have been through that country, on a thousand-mile trip from Warsaw through Posen and Stettin. It is a rich agricultural country. If the Communist rulers should do what I have mentioned, the situation could be quite difficult. They might draft those people into slave labor camps, or at least into arms factories, and then the Soviet Union, with troops still in the captive nations, could use the manufactured material to bolster its warmaking potential.

Mr. BUTLER. Mr. President, will the Senator from Mississippi yield for a question?

Mr. STENNIS. I yield for a question.

Mr. BUTLER. I should like to make an observation in the form of a question, because I am not too well advised on conditions in the countries about which we are talking.

Is it the thought of the Senator from Kentucky [Mr. COOPER] that we must hold out some aid to the people of the captive nations in order to induce them to support our side? Does the Senator not believe they are straining at every point in their effort to get from under the heel of the Russian Soviets? We do not have to do anything for those people. They are fighting for freedom. They are fighting tanks with their bare hands. We do not have to give them wheat to influence them. They want freedom and they will do everything they can to get it.

I have listened to this debate very carefully. I agree with the Senator from California that we cannot strengthen the inclination of those people for freedom. That is the one thing they desire above everything else. When we give them agricultural commodities we are not strengthening them, but we are strengthening their oppressors.

Mr. COOPER. Will the Senator yield to me so that I may make a brief response?

Mr. STENNIS. I yield.

Mr. COOPER. I think we have to consider that in the last 4 months we have not devised many methods by which to deal with the satellite countries. When the revolution took place in Hungary the United Nations could do nothing much more than pass resolutions. Certainly the distinguished minority leader is aware of that.

Secondly, this Nation has declared—and I think the administration has even recently declared—that it is not our policy to use force to bring about the liberation of those nations. What are the means, then? What are our means for helping this revolutionary movement for independence which we have seen stirring in these countries? We have said we will not use force. That is the problem. Why is it not worth while to try the peaceful means of using food?

I invite the attention of the Senate to the situation at the time the Marshall Plan was proposed. The plan was first proposed in the United States by such great leaders as Senator Vandenberg and others, who believed that the satellite countries should be brought into the Marshall Plan. Perhaps that was not wise, in view of what has happened. But who really knows?

Today, in the consideration of this amendment, we should recognize that we might be able to place some small instrument in the hands of our Government to encourage that revolutionary movement toward independence, which we know is stirring in those countries. I do not think it would stop this movement if we refused this help, but I do not think such action would provide much en-

couragement from a great country such as our own.

Mr. JAVITS. Mr. President, will the Senator yield?

The PRESIDING OFFICER (Mr. MONROE in the chair). The Senator from Mississippi has the floor. Does the Senator from Mississippi yield?

Mr. STENNIS. May I say to the Senator from New York there must be an end to yielding some time? I shall detain the Senate only a very few minutes, on another phase of the bill.

Mr. President, the surplus agricultural commodities continue to have a depressing effect on farm prices and acreage allotments. It now appears that the Commodity Credit Corporation will have on hand August 1, 1957, about 11.8 million bales of cotton, 1½ billion bushels of corn, 988 million bushels of wheat, 17 million hundredweight of rice, and possibly 3 to 4 years' supply of tobacco. These surpluses certainly emphasize the need for at least a 1-year extension of Public Law 480, and the need to increase the authorized ceiling under title I. The Trade Development and Assistance Act of 1954—Public Law 480—has operated on sound trade principles with less emphasis on aid.

I have also been interested in the program from the standpoint of military housing construction in foreign countries. At the present time estimates indicate a need for about 69,000 units, at a total of about \$675 million. The major part of this need can and should be met through the use of surplus agricultural commodities. The logical approach which this program offered prompted me to sponsor proposed legislation in the Military Construction Subcommittee—and the entire committee sponsored this proposed legislation—which would expand the use of surplus agricultural commodities in the foreign military construction program. This authorization was increased over a period of years from \$25 million to \$100 million, and to \$250 million last year. I believe this program is sound and desirable from the standpoint of reducing our surplus agricultural commodities in a businesslike way at the least possible cost and at the same time implementing needed housing in foreign countries.

During calendar year 1956 some \$102 million in currencies of 7 foreign countries were earmarked for military-family housing. These countries included: United Kingdom, \$33.4 million; Japan, \$25.1 million; Spain, \$16 million; Italy, \$12.7 million; Finland, \$7 million; Austria, \$6.4 million; Portugal, \$1.5 million.

Our Military Construction Subcommittee has also broadened the authority for use of currencies acquired through the transactions of the Commodity Credit Corporation. This has made possible transactions under the CCC Charter Act, which contains broad authorizations for the barter-type operations.

This barter program has enabled countries who have not heretofore been interested in surplus commodities to negotiate for use of CCC stocks in construction of military housing. For example, a \$50 million contract with France for the con-

struction of 2,800 housing units is expected to be completed and signed within the next 2 weeks.

The Defense Department is also negotiating for barter contracts with three additional countries. These contracts include \$25 million for the Philippines, \$12 million for Bermuda, and \$15 million for Libya. This phase of the program appears to be the most promising and flexible for the construction of military housing.

Mr. President, I should also like to express my special interest in and support for expanded use of foreign currencies in marketing development projects. This phase of the program is a move in the right direction and will have lasting beneficial effects in building strong markets for United States agricultural commodities for years to come. Marketing development projects are already under way in 20 countries involving the equivalent of about \$5 million, and about \$32 million is earmarked for this purpose under existing agreements.

I have been very much impressed with contracts which various enterprises have with the United States Department of Agriculture to develop and supervise programs in behalf of cotton. These projects are financed 50-50 by local private industries and funds provided by Public Law 480. They are operated by the local industrial organizations and are aimed at increasing consumption of cotton in these countries. The total budget for cotton promotion outside the United States this year is more than \$3 million or roughly 10 times the total of 2 years ago. About one-third of this budget is Public Law 480 money with foreign industry raising the balance. It is encouraging to note that although some of these countries' budgets are small by United States standards, yet seven of them are putting into promotion their own money, sums which represent higher per capita expenditures than that of the United States raw cotton industries.

Marketing studies which will illustrate the full potential for United States commodities in foreign countries are basic to a sound, long-range export program. Advertising and sales promotion are also important in expanding our exports, and I hope that greater emphasis will be given to expanding the use of foreign currencies for this purpose.

Since the passage of the Trade Development and Assistance Act, 2.6 million bales of cotton, 19 million hundred-weight of rice, 432 million bushels of wheat and flour, 143 million pounds of tobacco, 130 million pounds of dairy products, 1.6 billion pounds of fats and oils, and 149 million pounds of meat had been programed as of the end of 1956.

Mr. President, title I of Public Law 480 has moved sizable quantities of surplus agricultural commodities in an orderly and businesslike way, and I hope that the 1-year extension of this act will receive the full support of the Senate.

This is another illustration of the growth of this fine program, which provides us with necessities which we would otherwise have to buy with hard dollars. We sell agricultural commodities to those countries for their currencies, and then

spend the currencies of those countries for items which we would otherwise have to construct. That is another reason for the extension of the law, and, really, for expansion of the program. We have been feeling our way. We have before us a concrete illustration, in dollars and cents, in terms of housing units which are necessary. It shows the progress we are making, and the soundness of the law.

Mr. RUSSELL. Mr. President, will the Senator yield?

Mr. STENNIS. I yield.

Mr. RUSSELL. I am very glad the Senator has made the statement which he has made. In my judgment the Senator from Mississippi and other Senators associated with him in the subcommittee have rendered a real service in devising this program. Last year I had occasion to see some of these projects. They have been of exceedingly great assistance to our Armed Forces stationed overseas.

With respect to some of the countries involved—and I will make no invidious comparisons and give no names—about the only thing we have ever gotten out of them was the result of this program.

Mr. STENNIS. I appreciate the Senator's remarks.

The Senator from South Dakota [Mr. CASE] has been detained on another official errand. He has been very active in connection with this program. He helped to write the legislation. He has followed it up, and has made a valuable contribution toward the effective results which have been attained.

Mr. JAVITS. Mr. President, will the Senator from Mississippi yield to me in order that I may ask the minority leader 1 or 2 questions?

Mr. STENNIS. I yield.

Mr. JAVITS. I doubt if there is any Member of this body who more earnestly desires to breach the Iron Curtain, or who would sacrifice more to see it done.

I should like to ask the Senator from California 1 or 2 questions based upon my own experience in the House Committee on Foreign Affairs. I served there when the European recovery program was approved. I served there when Congress first approved aid to Yugoslavia. Upon each occasion—without divulging anything more than what is history—the fulcrum of decision was this point: The Soviet Union having constantly opposed any of its satellites obtaining economic aid from the West, and, as a matter of fact, having made the standard of judgment as to the heresy of Tito the fact that he sought economic aid from the West, what we were always looking for was another satellite which would seek economic aid, that being to us among the prime indicia of the fact that it was ready to break away, or break away sufficiently for our purpose. What is the significance of such action? I ask the distinguished minority leader if he will be good enough to comment on that point. Being a new Member, I do not like to rise to speak unless I can make a definite contribution.

I heard the discussion with respect to the looting of Poland, which is standard Soviet technique. We are dealing with a situation, in essence, which existed before Gomulka. Today the real point of difference between Yugoslavia

and Poland, as the distinguished Senator has pointed out, is some element of military control.

Is not that answered by the fact that Gomulka is ready to commit the greatest Soviet heresy in history, up to date, which is to ask aid from the West? Therefore does not my friend from Kentucky [Mr. COOPER] have a great deal to his point that, if that be the case, if Poland is ready to commit that heresy, we would be unwise to relinquish the weapon which we have by turning down a request for such aid?

Mr. KNOWLAND. I will say to the distinguished Senator from New York, who has had long experience in the House, and who served on the Foreign Affairs Committee of that body, that it seems to me the basic point of difference, as I pointed out earlier, was the fact that at the time we entered into the program with respect to Yugoslavia, Yugoslavia was not under Soviet military occupation. A plausible argument can be based on the fact that Mr. Gomulka is showing a little independence. From some study of the situation, and out of a deep conviction, I will say that I believe we could make just as strong a case to prove that this show of independence is, in fact, with the concurrence and connivance of the men in the Kremlin.

The reason I say that is that after the Hungarian rebellion I think the men in the Kremlin were shaken to the foundations. They saw what the repercussions were in the Asian and African countries, and around the whole world, as a result of their repressive tactics.

I think the last thing in the world they wanted, or would have permitted, was the same type of situation in Poland. Over the years Poland has been very restless under the domination of either Germany, Imperial Russian, or Communist Russia. I believe that in order to hold down the unrest in Poland the men in the Kremlin were perfectly willing to go through with an act, a Potemkin village sort of demonstration, to deceive a great many people, by letting Mr. Gomulka and his government show some independence by making his application for aid from the West, which would relieve the Soviets of the obligation to send in foodstuffs, and possibly might enable them to take out more from Poland's production.

I admit that that is only a personal point of view, and that it is not the official judgment of the Department of State. But I have a very strong feeling that all we are doing in this case is fastening the hold of the Communist government more firmly upon the people of Poland, and not only sustaining and strengthening the Communist government's hold on Poland, but, if the same process should be followed in the other captive nations, actually increasing the strength of the whole monolithic Soviet empire.

Mr. JAVITS. The authority contained in the act is permissive, is it not?

Mr. KNOWLAND. Yes.

Mr. JAVITS. If we pass the bill, the President may or may not extend aid.

Mr. KNOWLAND. That is correct.

Mr. JAVITS. So it does not necessarily follow that we are to extend to all the other satellites the type of aid for

which Mr. Gomulka has asked. He is the only one who has asked for it.

Mr. KNOWLAND. He has been invited to ask for it.

Mr. JAVITS. With respect to Kadar, I understand that he would like economic aid, but that we have no intention of giving him any such aid.

Mr. KNOWLAND. That is the record to date.

Mr. JAVITS. All we are doing is giving permission to the President to use the program as a weapon of foreign policy.

Mr. KNOWLAND. Let me ask the distinguished Senator a question. Leaving Mr. Kadar out of consideration for the moment, because of the peculiar circumstances in which he came into power, just what argument is to be made to the Governments of Rumania, Bulgaria, and Czechoslovakia if they, seeing the success Mr. Gomulka has had, say, "We want to show a little independence of the Kremlin. Therefore, we not only came in under the surplus-food program, but we have had our agents negotiating for a \$300 million American loan for not only agricultural products, but mining machinery, and so forth"? What argument is to be made if they say, "We will show a little independence, too, and ask for the same treatment"? Once we have gone behind the Iron Curtain in a country under Soviet occupation, on what basis can we discriminate against the poor non-Communist people of Rumania, Bulgaria, and Czechoslovakia?

Mr. JAVITS. I think there are two answers to that question.

I do not wish to debate it, because I have a very deep regard for the distinguished minority leader. I compliment him highly for the courage and frankness which are so typical of him, in starting what should be a great debate. The question deserves that type of approach, and the country deserves it.

Now, to answer the question. I believe that in the case of Poland there is a difference, because there the people have bared their breasts to the danger of force. They brought about a change in the regime by their own determination. They have met the test. The leaders and supporters of the Government are making representations to the West. The people themselves have made representations to the West. That is a very fundamental difference.

Secondly, and very importantly, we come to the question of discretion. What we are doing is giving the President discretion, and we ought to have confidence in ourselves as deep and as profound as the suspicion which we may have of the other side. I believe that would be the two ways in which I would answer the real doubt which the Senator raises.

Mr. KNOWLAND. I quite agree with the Senator. Again, this is a basic matter of policy. Regardless of how the vote goes on this amendment, we shall have to discuss the whole subject when the foreign-aid bill comes before the Senate. As I understand from a reading of the newspapers, and from discussions I have had, the Polish delegates came to this country to negotiate for \$300 million and up. We indicated that

that was more than we would give them. An article published in the Washington Post on last Saturday or last Sunday indicated that we might be prepared to offer them \$50 million. I do not know whether that was a surmise on the part of the newspaperman who wrote the story, or whether it was a planted story which perhaps reflects the attitude of our Government.

At any rate, that issue will be before us on the occasion when we will have to determine the economic aid we will extend to countries. It is a matter in relation to which Congress has some responsibility. For that reason it ought to be discussed now, as I know it will be discussed in the future. With all due respect to the Senator from New York, I say again that this is merely an attempt of the camel to get its nose under the tent flap.

We will see this program extended if we grant this aid to Poland. If all the captive nations come under the foreign-aid program, we will see that program raised by at least a billion or two billion dollars a year, in order to meet the effort to stabilize the Communist regimes behind the Iron Curtain.

Mr. JAVITS. Fortunately, those countries will have to come here to make their requests.

Mr. KNOWLAND. Mr. President, I ask unanimous consent to have printed in the RECORD a copy of a letter which was written by the State Department to the former chairman of the Committee on Foreign Relations under date of December 28, 1956. It is signed by Robert C. Hill, Assistant Secretary of State. It was classified confidential until today. The letter discusses the Secretary's findings with regard to proposed aid to Poland.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

DECEMBER 28, 1956.

The Honorable WALTER F. GEORGE,
Chairman, Committee on Foreign
Relations, United States Senate.

DEAR MR. CHAIRMAN: As you know, following the developments in Poland last October, the President stated that, to help freedom-loving people, such as the Polish people, would add strength to the security and peace of the free world. The executive branch is considering various measures, within the framework of existing legislation, which would contribute to the achievement of these objectives.

Poland has indicated a desire to purchase a number of items, including certain agricultural products, a number of which are in surplus. Following a reexamination of executive branch policy, it has been decided to allow surplus agricultural commodities to be exported for dollars at world-market prices to eastern European countries (except the Soviet Union) on a selective basis in the national interest. Accordingly, it has been determined that surplus agricultural commodities may be sold to Poland for dollars at world-market prices.

The Secretary has also determined on the basis of a careful examination of the Polish situation since October 1956, that Poland is not now dominated or controlled by the U. S. S. R., and accordingly qualifies as a friendly nation within the meaning of section 107 of the Agricultural Trade Development and Assistance Act of 1954, as amended, (Public Law 480, 83d Cong., 2d sess.). He intends to inform the Secretary of Agriculture that Poland is eligible for title I and title III,

Public Law 480 transactions. The Secretary has taken his decision on the basis of the current situation and all the evidence available to him. He recognizes, of course, that important new developments are taking place in Eastern Europe and that the future course of events may alter this situation.

Accordingly, these events will be followed closely and the validity of the current appraisal will be kept constantly under review.

Sincerely yours,

ROBERT C. HILL,
Assistant Secretary.

Mr. JOHNSON of Texas. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER (Mr. McNAMARA in the chair). The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. JOHNSON of Texas. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

Mr. AIKEN. Mr. President, I think almost everyone is agreed that Public Law 480 has been a very effective instrument which has been used for many purposes to satisfy many people. We can point to the fact that it has raised the standard of living for many of the underprivileged nations of the world. We can point to the fact that it has stabilized political conditions and the economies of many nations. It has meant more business for the world as a whole, and it has meant more business for the United States. It has not injured private trade, because as Public Law 480 has been availed of, private trade also has increased materially.

Public Law 480 has been effective in starting the reduction of our domestic agricultural surpluses, particularly of cotton and wheat, so I think there is no real objection to extending it for these purposes for another year.

The difference of opinion which exists seems to be whether section 304 of the act shall be repealed. This section prohibits bartering with satellite countries, and is a question on which there can be an honest disagreement. I believe the bill should be left as it is, and that the amendment offered by the Senator from California should not be adopted.

I believe this provision has worked, in some ways, exactly the opposite from the way it was expected that to work. We thought it would help us and hurt the Soviet Union.

Earlier today I pointed out as an example how Egypt and Czechoslovakia were forced to get together to make a trade which has worked definitely to our disadvantage. It has been emphasized by some persons that Poland appears to be a country which might be a candidate for some bartering. I am not certain about that; she might be. It has been said that the situation in Poland is analogous to that which has existed in Yugoslavia since 1948. I do not know whether or not this is an accurate analogy.

At that time Yugoslavia had been stripped clean by the Soviets and was in a destitute condition. The people of Yugoslavia were hungry. We gave them \$38 million worth of grain to enable them to live through the winter. I do not think we ever made a better investment, even though we have had to help them

ever since. We have given them several million dollars' worth of military equipment, but Yugoslavia has not gone back into the Soviet orbit. Instead, Yugoslavia has remained a nationalist Communist nation up to this time and has not gone back within the orbit of international communism. I suppose it will be necessary to help Yugoslavia for some time to come, because if we do not she could still be forced back into the Soviet group. If that were to happen, we do not know how Greece could remain independent. If the United States had not gone to the rescue of Yugoslavia, undoubtedly it would not have been possible to hold Greece as a member of the western nations because Greece would not have been strong enough to remain independent.

I realize that by bartering with any country behind the Iron Curtain is permissive only; it is not required. I hope that our Government will use extreme discretion. I would not expect our Government to barter with a nation which was occupied by Soviet troops or Soviet tanks, for instance. I point out, however, that we should be in a position to step in should one of the satellite countries need economic help either in the form of contributions or by way of bartering.

I also want to emphasize that the bill extends the law for only 1 more year. If there is some part of the bill that does not work well, it can be discontinued in another year.

It has also been said that if the United States steps in and helps Poland, and if our action works well, all the other satellite countries will be seeking our help. If we do help Poland, and if Poland does free herself from Soviet domination, I think it would be wise for us to help the other satellites to free themselves from Soviet domination also.

Mr. RUSSELL. Mr. President, will the Senator yield?

Mr. AIKEN. I yield.

Mr. RUSSELL. The Senator is referring to the bill solely in terms of assisting other nations. I was of the opinion that the Senate was considering language of the bill to provide that the United States should get something in return.

Mr. AIKEN. It provides for bartering.

Mr. RUSSELL. The Senator is referring to transactions of which I would not approve. I was disposed to vote for this particular provision because it was one under which we were to get something in return for the hundreds of millions of dollars we are spending overseas. I understood the purpose of repealing section 304 was to enable the United States to get strategic materials which were hard to get.

Mr. AIKEN. If my remarks made it appear that the provision to repeal section 304 would permit us to step in and assist the people abroad under title I, that was an inadvertence on my part. Repeal of section 304 would provide only for bartering. The Senator is entirely correct in that respect. I was speaking hastily prior to the vote and probably did not make myself clear; but the Senator from Georgia has made the subject entirely clear.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from California [Mr. KNOWLAND].

Mr. HOLLAND. Mr. President, I strongly support the position already taken by the chairman of the Committee on Agriculture and Forestry, the Senator from Louisiana [Mr. ELLENDER], and by the ranking minority member of the committee, the Senator from Vermont [Mr. AIKEN].

I think it is very greatly to the interest of the United States to follow the recommendation of the Secretary of Agriculture, the wisdom of which was so well borne out by the testimony of the Assistant Secretary of Agriculture, Dr. Butz, to allow bartering with satellite nations. I think they are taking a wise position, and that we can give them their heads safely, because they have made a strong case. I wish to read briefly into the RECORD a statement made by Dr. Butz before our committee, because his statements sounds to me like good commonsense. I have found Dr. Butz to be particularly helpful to fruit producers in the matter of foreign trade and in having straightened out some very real difficulties in the case of the United Kingdom and in the case of West Germany. This is what Dr. Butz said on the subject now under debate:

With respect to our recommendations for repeal of section 304, that will, in effect, remove the prohibition in the act against bartering with the satellite nations. We feel that the Government should have the discretionary authority to conduct barter deals with satellite nations in those cases where it is clearly to our advantage to do so.

This does not mean there is any disposition on the part of anybody in the executive branch of the Government to barter willy-nilly, but many of us feel that if we can barter a soft goods, like food or fiber, for a hard goods, like metals, it is clearly in our interest to do so even though it be with one of the satellite nations. And there have been opportunities to conduct barter deals of that kind in the last couple of years, that under the act we could not do.

Therefore, we ask for a repeal of that provision so we can have the discretion to do it when it is clearly in the interest of the United States to do so.

Dr. Butz called the attention of our committee to the fact that there were occasions in the past when we could have traded some of our surplus food materials, which are so badly needed by the satellite nations, for hard goods like manganese, or other metals, which we need, if only we had been able to do so.

I cannot too strongly support the position taken by the distinguished Senator from Georgia [Mr. RUSSELL], indicating that in this instance, instead of trading our hard money for soft money, as in the case of dealing under title I—and I have strongly supported title I and shall continue to support it, because I think it really belongs in the picture—in this case, and in this case alone, we would get a full measure of return from our investment by permitting a setup which would allow us to trade our surplus agricultural products for valuable strategic materials which are hard to get.

I agree with Dr. Butz in his statement that—

Many of us feel that if we can barter a soft goods, like food or fiber, for a hard goods, like metals, it is clearly in our interest to do so even though it be with one of the satellite nations.

Mr. HUMPHREY. Mr. President, will the Senator yield?

Mr. HOLLAND. I yield.

Mr. HUMPHREY. I merely wish to underscore what the Senator is saying. I have just read through Dr. Butz's testimony. Not only has he testified in this manner this year, as the Senator well knows, but he testified in similar vein last year.

As I recall, the Senate last year approved the very same provision we are asked to approve now, but it was lost in the other body.

I should like to emphasize that the necessity for some flexibility on the part of the Department of Agriculture and the Department of State concerning our foreign policy relating to satellite countries has become increasingly evident. I think that what we are really seeking to do here is to give a little vote of confidence to those who administer these programs that they will not sell out the best interests of our country?

I for one would not believe that the Government of the United States and those responsible for the policies of our Government are going to do business with those countries to the detriment of our national security.

As the Senator from Florida has correctly stated, this provision deals only with bartering, not with sales from counterpart funds or from foreign currencies. It does not deal with credits. Therefore, we shall be gaining something, rather than losing something, under any deal we may consummate.

If the Senator from Florida will permit me to do so—for I do not wish to take any more of his time—I now ask unanimous consent to have printed at this point in the RECORD a statement on my analysis of Public Law 480 and the importance of its extension, as provided in the pending bill (S. 1314).

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

SENATOR HUMPHREY PROPOSES GREATER USE OF AMERICAN FOOD AS "YEAST OF FREEDOM"

Senator HUBERT H. HUMPHREY, Democrat, of Minnesota, today called for extension by 1 year and expansion of Public Law 480, the Agricultural Trade and Development Act of 1954, and termed food a tremendous and versatile weapon in the arsenal of peace.

In an address today on the Senate floor supporting passage of S. 1314, Senator HUMPHREY also called for an end to "administration timidity and indecision" in negotiations with Poland on surplus agricultural commodities, and for "forthright action on the proposal to bolster the Polish people's recent progress toward an independent existence."

"By sharing our blessings of food abundance with the peoples who seek to break away from the Soviet tyranny, we can make American food the 'yeast of freedom' which can expand and strengthen the movement toward freedom and independence," Senator HUMPHREY declared.

"We are taking a calculated risk by such measures," he said, "but it is only the risk that the yeast will not rise. American food cannot be hurled back at us. All that we

have to lose is the food itself, all that we can suffer is disappointment."

"Public Law 480 is not to be looked upon as merely a disposal program for surplus commodities," Senator HUMPHREY pointed out. "It has become a fundamental arm of our foreign policy. It has demonstrated the tremendous power of food and fiber in building stronger friendly nations, and at the same time it has developed new markets for the regular production of American agriculture."

The Minnesota Democrat stressed five distinct accomplishments of the Public Law 480 programs. They have, he said:

1. Increased the normal export markets. "Public Law 480 has enabled us to open new doors for America's surplus agricultural commodities," he said. "It has resulted in improved levels of income for many farmers. Millions of man-hours of work have been added for American labor. Shipping has prospered."

Senator HUMPHREY pointed out that agricultural commodities under United States export programs accounted for about 25 percent of all exports in 1954, rose to 30 percent in 1955, and 41 percent in 1956. "Yet," he said, "sales outside of the program have remained fairly steady."

2. Provided economic development funds for needy countries. "The largest increase in program activity has been in sales for foreign currencies," Senator HUMPHREY said. "Thus, we have developed export programs based on the ability of foreign countries to pay for their purchases, although these payments have to be made in part in their own currency."

"By far the largest portion of the local currencies are being utilized in the form of loans by the United States to promote economic development and international trade," he reported.

3. Made possible the exchange of American food for strategic materials. "Since Public Law 480 was enacted, the value of strategic imports for stockpiling through the barter program has risen from \$61.5 million in fiscal year 1955 to the rate of nearly \$189 million annually in the first half of fiscal year 1957," Senator HUMPHREY said.

4. Strengthened our military security. "Through the end of 1956, \$221 million of local currency proceeds of sales were earmarked to procure military equipment, materials, facilities, and services for the common defense," Senator HUMPHREY reported. "These quantities cover agreements signed with countries in many areas of the world, including Brazil, Iran, Korea, Pakistan, Yugoslavia, and the Republic of China."

5. Broadened our cultural and educational contacts with the free world. "Most of title I agreements," Senator HUMPHREY said, "have provided for the use of some of the local currency proceeds to finance international educational exchange programs. About \$5 million has been set aside in agreements thus far to help American-sponsored schools abroad and bilateral organizations which promote better relationships between the United States and other countries."

Citing the opportunity in Poland to bolster an anti-Soviet regime and an anti-Soviet people with food and fiber as an example of the use to which Public Law 480, as amended by Senate bill 1314, can be used, Senator HUMPHREY charged the administration with "timidity and indecision at a crucial moment in the relations between Soviet Russia and the new Polish Government attempting to disengage itself from Soviet domination."

Mr. HUMPHREY. Mr. President, I have just received a copy of a telegram sent to President Eisenhower and Secretary Dulles from the American Order of General Pulaski. In the telegram, a loan is proposed to the Polish people, in the form of foodstuffs, raw material,

and machinery for the textile industries.

Mr. President, I ask unanimous consent that the telegram be printed in the RECORD, and also be appropriately referred.

There being no objection, the telegram was referred to the Committee on Foreign Relations, and ordered to be printed in the RECORD, as follows:

MARCH 16, 1957.

President DWIGHT D. EISENHOWER,

*The White House,
Washington, D. C.*

Hon. JOHN FOSTER DULLES,
*Secretary of State,
Washington, D. C.*

May we suggest a loan in the form of food, raw material, and machinery for the textile and building industries to the Poles our gallant but almost forgotten allies whose friendship for the United States dates back to the birth of our Nation. This aid should be distributed under strict control and supervision of an American governmental agency similar to the post World War I Hoover Commission, partially manned by Americans of Polish origin to facilitate language barriers and to acquaint the Polish populace with our own American ways of life and our free American institutions. At heart the Poles abhor the evil and godless forces of the Red Kremlin.

In weighing a decision in this vital matter, let us be mindful of Poland's tragedy partly brought about by our own neglect and lack of understanding and foresight at Yalta 12 years ago when we allowed Stalin to have his diabolical way, and when the Polish people were, without their consent, turned over to communism which meant death, famine, rape, and slavery to a freedom-loving nation. May we respectfully add that according to newspaper reports Cardinal Stefan Wyszynski, Primate of Poland, is expected to be in Rome at Easter. This humble servant of God, a martyr of communism would be in a position to enlighten us as to the practicability and necessity of aid to the Polish people.

Respectfully,

AMERICAN ORDER OF GENERAL PULASKI.
K. STEFAN POMIERSKI,

President Emeritus,

GLEN COVE, N. Y.

CORNELIUS H. TUSZYNSKI, *President.*

JOSEPH P. PLONSKI,

Counsel and General Secretary.

Mr. HUMPHREY. Mr. President, I have just received a letter from the chairman and the secretary general of the Polish Christian Labor Party in New York.

The letter reviews the measured advances which have been achieved under the Gomulka regime, and encourages the administration to grant economic assistance to Poland.

I ask unanimous consent that the letter be printed in the RECORD, and appropriately referred.

There being no objection, the letter was referred to the Committee on Foreign Relations, and ordered to be printed in the RECORD, as follows:

POLISH CHRISTIAN LABOR PARTY,
New York, N. Y., March 27, 1957.

DEAR SIR: The executive committee in exile of the Polish Christian Labor Party at its meeting held in New York on March 27, 1957, reviewed the development of the present situation in Poland and resolved to make an appeal to the administration and Congress of the United States to provide substantial economic assistance to Poland.

The peaceful evolution in Poland, which especially from October 1956 until the time of the general elections in January 1957 fol-

lowed a rapid course, showed the decisive will of the Polish nation to regain true freedom and brought our prudence and calm as characteristic of the Poles in time of trial.

In those 4 months Poland gained several great advantages through the unity and determination of its people:

The limitation of colonial exploitation by the Soviet Union;

The ability to make commercial agreements with non-Communist states;

The end of the system of terror and the relaxation of restrictions on civil liberties; and

Freedom of religious practice and instruction.

The progress of Poland toward liberty has been and may continue to be hindered by delay and deviation. Reactionary Stalinist forces, especially those acting from outside the country, have taken advantage of every weakness of Polish society, which is debilitated through the destructive practices of the former Communist regime and the economic crisis which logically and naturally resulted.

The Polish people are confident that the West, of which they are an integral cultural part, will help in gaining economic relief. The faith of the Poles in the good will of the West, severely tried on many occasions since 1939, now depends on economic aid quickly and generously granted. If such aid is denied or proves insufficient, the Poles will feel completely abandoned and isolated, which will have a regrettable political result.

The system of state capitalism imposed on Poland against the will of the nation and for which it cannot be held responsible makes it necessary that economic aid be administered by the state. However, this will not enhance the prestige of the United Workers (Communist) Party. On the contrary, the Poles will fully recognize the source of this assistance and the reason why it is granted. This will heighten the prestige of the West and demonstrate the impotence of the Communist system, which in a time of economic crisis is forced to look for help to countries which have a system of free economy.

In addition to economic aid, the Polish Christian Labor Party appeals for the development of economic exchange between the free world and Poland, thus strengthening the economic independence of Poland which forms the foundation of political independence.

The Polish Christian Labor Party expresses its confidence in the administration and Congress of the United States to find the necessary legal bases which will make possible the granting of economic assistance to Poland, even though the present system of government there does not entirely correspond with the democratic convictions of its people. Economic assistance will be considered an expression of confidence on the part of the West in the strong resolve of the Polish Nation to attain full democracy, and will prove a vital stimulus to the realization of this goal.

Very truly yours,

KONRAD SIENIEWICZ,

Secretary General.

KAROL POPIEL, *Chairman.*

Mr. HUMPHREY. Mr. President, the New York Times magazine for March 24, 1957, carried an article entitled "Poland's Gomulka Walks a Tightrope," written by Flora Lewis.

In a speech on the Senate floor on last Friday, I discussed many of the points raised in the article. I ask unanimous consent that the text of the article be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

POLAND'S GOMULKA WALKS A TIGHTROPE
(By Flora Lewis)

WARSAW.—Although Wladyslaw Gomulka became No. 1 man in Poland through a display of stubborn independence that made his name a symbol, there is no such word as Gomulkaism and most probably there never will be. The reasons are rooted in the worried but firm-minded country that he leads and in the character of the man. Poland today is an uneasy country, filled with vague yearnings and simple hopes, exhausted and yet lively with the jerky energy of a man shaking off a nightmare, uncertain about everything but the one desperate wish never to slip backward. Gomulka embodies both the hopes and the fears of the country.

His warning that a failure to support his Communist Party in the recent elections meant "to cross Poland off the map of European states" was an extravagance of campaign oratory, but he knows, and Poles know that he knows, the dangerous truth within his words. He has proved, to Poland's satisfaction, that he has no hypnotic illusions about relations with the Soviet Union and that while he cares for communism he cares at least as much for Poland. That is one reason why his cause does not bear his name.

Nor did the man who stands unchallenged at the hub of a huge wheel of inchoate and often opposite desires launch the cause or set the wheel in motion. On the contrary, the cause assembled itself from a dozen corners—from the hatred and misery that exploded in the Polish riots last June, from the shame and shock released by the Soviet Communist Party's 20th Congress in February 1956, from the long mendacious years. It centered itself on Gomulka and created his program. Without Gomulka there would have been no place for the spokes of discontent to meet. But without the driving bitterness that sought a spokesman Gomulka would not have mattered.

As things are now Gomulka does matter. The aims and judgments of what one close associate called "the curious, impersonal man" are decisive. He alone of all the men who govern with him has the confidence and the ear of his country. It is a tentative confidence. He could lose it as quickly as he gained it if he failed to keep faith. Aware of this, Gomulka's test for making decisions is his own conception of how to find a place in the sun for the 28 million people of Poland.

It is not precisely everyone's conception, for points of view sprout lushly in Poland nowadays, but in its large outline it is shared by his countrymen who express their acceptance by calling it realistic. To be realistic in Poland means to acknowledge two facts which darken the land with their shadows. One is the nearness and the power of the Soviet Union. The other is the intolerable unhappiness the country has known. Very little more can be done to push back the Russian shadows. Much must be done to relieve the blackness of misery. The confidence given Gomulka is based on the belief that he sincerely wants to do what can be done.

The people who listen to him know, surprisingly little about the man they trust. Gomulka's is a closed personality and no one claims to know his mind. His reserve separates him even from his most intimate acquaintances. He speaks calmly and plainly, but often irritability conquers him and he shouts with anger. He listens thoughtfully, a faint smile on his thin lips, a grave intensity in his deep-set gray eyes. And yet, what is inside him never quite breaks out.

His face and his slight, halting figure offer no clues to the fierce will they cloak. Nearly bald, with a rim of white hair around his wizened head, cheeks pink from Warsaw's sharp winter, he can peer through steel-rimmed glasses that slide a little down his

sharp nose, as though he were looking at the world through the bemused eyes of a country grandfather.

The bones of his face are hard and square but the pale skin hangs loosely and softens the lines that once looked like chipped granite. A Western ambassador, newly arrived in Warsaw, watched him at an official reception where he stood shyly in the background, clearly ill at ease, and said, "Gomulka looks so gentle and benign, such a kindly little old man. I wonder if he can stand up to the sharks around him and impose his discipline?"

It was a gross misconception on several counts. To begin with, he is not old, only 51. His 3½ years in prison and his 8 years of enforced exile from the politics that are his whole life have aged him prematurely. Certainly he can and sometimes does impose discipline with a sharp impatience that leaves no room for retorts. And he defied Nikita Khrushchev last October and so earned his right to the place that had been made for him in Poland.

Gomulka's is a tough spirit and unyielding on points he has made his own. In that he has not changed from the period of his first reign as first secretary of the party from 1943 to 1948.

His aim then was to make Poland Communist. He pursued the aim with a combination of ruthless will and skilled if scarcely principled maneuver that reflected acceptance of the Communist adage, "You can't make an omelette without breaking eggs." Until shortly before his downfall under the charge of Titoism Gomulka played his part in administering Moscow's crushing tactics.

His experience as a "broken egg" did not undo the training of the long years before but in some ways it drastically modified their meaning. It bred in him a sort of tolerance that dwells oddly with the fierce strength of his will. His hand is often firmer in restraining headstrong supporters than in warding off the devious attacks of proved enemies. Associates call it his "complex on persecution."

This new complex buttresses Gomulka's resistance to temptations to use force. No one can say beforehand where a dire crisis will push a man. But Gomulka's Communist self-righteousness is tempered now by a revulsion for what might seem injustice or revenge. No one in Poland has been arrested for opposing Gomulka or for criticizing what he does. The punishment has been purely political—ouster from a seat at the table of power.

This does not mean that Gomulka sits at the table with relish. He wields power willingly but he does not seem to love it. He appears to have little or no personal vanity. There are no photographs or busts of Gomulka on Polish walls; he seethed with fury when students took to chanting his name, and the practice was stopped.

He lives with his wife and a dog in a small apartment in Prague, a Warsaw suburb. When he got his first monthly paycheck of 14,000 zlotys as the new first secretary he sent back 11,000, saying he did not need so much.

Speaking of the power he held under Stalin, clothed then "in the robes of the cult of the individual," Gomulka told the Polish Central Committee how he felt about it. He referred to himself in the third person, saying he "did not feel well in this attire. One can say that he was ashamed of it and did not want to wear it, although he could not completely take it off."

What then does Gomulka want? There is no clear, sure picture, probably not even in his own mind, for he is no philosopher or ideologist. The speech to the Central Committee is as close as he has ever come to setting forth his credo, and its 45 pages are filled with details about the situation in the

mines, what is to be done for the peasants, how to revive cottage industry, what to do about hooliganism.

Since he was 16, Gomulka has worked as a Communist—sometimes as an agitator, sometimes as an administrator, but never as a theoretician. His jobs were practical ones, from distributing clandestine leaflets to running a Communist state. Now he is the leader of an important reformation, but he approaches his problems as practical ones.

This is his great strength. His pragmatic mind slips undisturbed from the fetters of doctrine and dogma whenever a concrete question demands an answer and a deed. He is an ardent and devoted Communist. But his conception of what constitutes communism has changed tremendously since the old days of struggle to impose a regime. And it is still open at one end.

Gomulka agrees with a small but vocal group of Polish Communists on what his concept is not. It is not a police state, it is not the willful spread of poverty, it is not a blinding, belligerent uniformity. These are profound changes in Communist thought and they could lead to staggering conclusions. Gomulka does not seek conclusions; he seeks to make life tolerable in Poland by repairing damage done and preventing new distress.

He gave the Central Committee his definition of communism, or socialism, as a Communist always calls it. "What is constant in socialism boils down to the abolition of the exploitation of man by man," he said. All else, associates explained later, Gomulka is willing to leave open to discussion.

All else is being discussed in Poland, sometimes by Gomulka, more often by others, and in startling terms. The vice chairman of the new State Economic Council, E. Lipinski, has written in the Polish Communist newspaper Trybuna Ludu: "The Council is necessary because so far there has been no economic thought in our economic policy."

With his disregard for doctrine when hard facts demand attention Gomulka has challenged what were long considered basic tenets of Communist faith. He has made peace with the church and has permitted the teaching of religion in the schools. He has restored full rights of ownership to peasants and has promised them, in a year or two when the problem of feeding the cities has eased, a free market with no compulsory deliveries to the state.

He has granted a role for private enterprise, small in scale, but meaningful. He has accepted the liberation of cultural life from politics. Above all, by abolishing the secret police, he has sought a way to govern by consent instead of force.

The need for consent now necessarily shoves off into the misty and improbable future the notion of creating "Socialist man." This dark utopianism results from the conceit that change can be imposed not only upon the society man lives in but upon man himself. It is the profound Communist arrogance.

Gomulka does not consciously repudiate it, but he has acquired a certain humility through his personal experience of human fallibility. There is every evidence that he believes Marxism to be a basically sound science of human society. But he has learned through suffering, his own and that of others, to consider it an experimental and not a revealed science.

So far as he has disclosed it, Gomulka's aim now is to remake Poland, not to rewrite the theories of communism. Not only does he disdain the wracking analysis and strained probing into which a new and brighter era has shoved many of his comrades—he has also made clear that he considers ideological challenge a positive menace to Poland's delicate equilibrium.

That, his closest associates say, is behind his recent orders to clamp down on the press where a grand debate on all but the inner-most tenets of Marxism was building up. The current line, much stricter than that of a few weeks ago, forbids publication of anything even faintly perfumed with criticism of the Soviet Union or criticism of Communist doctrine.

"Gomulka feels that if we can succeed, it has to be first by improving the economic situation," a close coworker said recently. "We have to realize that we are not going to have any influence with our ideological haggling."

Russia is extremely tense about relations within her empire, seemingly more nervous now about words than about deeds. Gomulka has refused to explain himself, but carefully choosing their words, his associates say that his present purpose is to reassure Moscow that Poland will not break out of the Communist fold.

That is not only tactics. Gomulka is convinced that in the world as it is only a Communist Poland can survive. But the effort of reassuring Moscow has begun to worry some of Gomulka's supporters who fear that Poland may unwittingly be forging new chains for herself. They consider Gomulka's pragmatic problem-by-problem approach to be a weakness as well as a strength. Watching his feet as he takes steps for security and economic improvement, Gomulka could lose the way to independence and freedom of thought.

The return to the Government of pro-Soviet Stalinist Communists who had fought Gomulka is a part of this dilemma. The explanation given is that since he must get along with the Russians Gomulka dare not rid his party of the eastern point of view.

Gomulka's backing is in the country. Within the upper ranks of the Polish Communist Party only a minority really supports the program he announced last October, although none dares attack him. Yet he is convinced that his regime can only be based on the party. The danger is that in his efforts to strengthen his party position by compromise with neo-Stalinists, he may weaken his national position.

It is an involved and precarious game. But the stakes are high and there are yet many hands to be dealt. For the time being Gomulka has chosen cautiously to consolidate his gains and to curb high-spirited comrades who want to plunge ahead too fast.

The solid backstop of Gomulka's program, regardless of any possible change of heart in the leadership, is the eager impatience of the Polish people for a decent life. Nothing but colossal injections of foreign aid could perform the kind of quick miracle that would make salvation easy. But Poland is a Cinderella without a fairy godmother. Current prospects for American aid indicate that it will not be large enough to work wonders.

Nevertheless, if Poland can manage to make its way back toward prosperity and freedom, the effect on the whole Communist world will be tremendous.

As long as Poland is an island of relatively free thought surrounded by a sea of Communist orthodoxy, no more than limited success for Gomulka's experiment is possible. But even a limited success in Poland would stimulate new hope among the drowning satellites. Eventually—and this is Gomulka's prime importance to the rest of the world—it might stimulate enough new thought in Russia to change the nature of the sea itself.

This is an ultimate goal, perhaps not so much Gomulka's as of the people who support him. Poland as a Communist state might have an influence on the internal life of Russia that nothing from the West could bring to bear. It is not entirely wishful thinking to hope that a breeze from a more

healthy Poland could stir the fetid Moscow air.

Gomulka's success would fan that breeze. If Gomulka's Poland can discover how Communist-ruled countries might work their way toward more freedom without violence, not only the peoples of the East but those of the West as well might at last have a chance to breathe more easily.

Mr. HUMPHREY. Mr. President, on Friday I spoke at length on this matter. My views appear in the CONGRESSIONAL RECORD. I urge the Senate to support the position taken by the Senator from Florida.

Mr. HOLLAND. Mr. President, I appreciate the supporting remarks very ably made by the distinguished Senator from Minnesota.

I do not think it is necessary to take further time on this subject, except to comment that in his official letter to the President of the Senate, the Secretary of Agriculture, Mr. Benson, very strongly urged this same action for this same reason.

So far as I am concerned, I found the Secretary of Agriculture and his Assistant Secretary and their experts in this field, able men of conscience and intelligence; and I am perfectly willing to give them authority to make deals which they believe to be in the interest of our country, in bartering soft, expendable goods for hard goods which we need and which we can store away against a time of greater need.

The PRESIDING OFFICER (Mr. McNAMARA in the chair). The question is on agreeing to the amendment of the Senator from California [Mr. KNOWLAND].

On this question the yeas and nays have been ordered, and the clerk will call the roll.

The legislative clerk called the roll.

Mr. MANSFIELD. I announce that the Senator from Texas [Mr. BLAKLEY], the Senator from New Mexico [Mr. CHAVEZ], the Senator from Tennessee [Mr. GORE], the Senator from Massachusetts [Mr. KENNEDY], the Senator from Oklahoma [Mr. KERR], the Senator from Ohio [Mr. LAUSCHE], the Senator from Louisiana [Mr. LONG], the Senator from Montana [Mr. MURRAY], the Senator from North Carolina [Mr. SCOTT], the Senator from Florida [Mr. SMATHERS] and the Senator from Georgia [Mr. TALMADGE] are absent on official business.

The Senator from West Virginia [Mr. NEELY] is absent because of illness.

I further announce that, if present and voting, the Senator from Massachusetts [Mr. KENNEDY], the Senator from Oklahoma [Mr. KERR], the Senator from Louisiana [Mr. LONG], the Senator from Montana [Mr. MURRAY], the Senator from West Virginia [Mr. NEELY], the Senator from North Carolina [Mr. SCOTT], and the Senator from Florida [Mr. SMATHERS] would each vote "nay."

Mr. DIRKSEN. I announce that the Senator from Utah [Mr. BENNETT], the Senator from Vermont [Mr. FLANDERS], the Senator from Arizona [Mr. GOLDWATER], the Senator from New York [Mr. IVES], and the Senator from New Jersey [Mr. SMITH] are necessarily absent.

The Senator from North Dakota [Mr. LANGER] is absent because of illness.

The Senator from Wisconsin [Mr. McCARTHY] is detained on official business.

If present and voting the Senator from New Jersey [Mr. SMITH] would vote "nay."

The Senator from Wisconsin [Mr. McCARTHY] is paired with the Senator from New York [Mr. IVES]. If present and voting the Senator from Wisconsin [Mr. McCARTHY] would vote "yea," and the Senator from New York [Mr. IVES] would vote "nay."

The result was announced—yeas 23, nays 54, as follows:

YEAS—23

Allott	Dirksen	Mundt
Barrett	Dworshak	Revercomb
Bricker	Hruska	Robertson
Bridges	Jenner	Schoeppel
Butler	Knowland	Smith, Maine
Byrd	Kuchel	Watkins
Cotton	Malone	Williams
Curtis	Martin, Pa.	

NAYS—54

Aiken	Fulbright	Monroney
Anderson	Green	Morse
Beall	Hayden	Morton
Bible	Hennings	Neuberger
Bush	Hickenlooper	O'Mahoney
Capehart	Hill	Pastore
Carlson	Holland	Payne
Carroll	Humphrey	Potter
Case, N. J.	Jackson	Purtell
Case, S. Dak.	Javits	Russell
Church	Johnson, Tex.	Saltonstall
Clark	Johnston, S. C.	Sparkman
Cooper	Kefauver	Stennis
Douglas	Magnuson	Symington
Eastland	Mansfield	Thurmond
Ellender	Martin, Iowa	Thye
Ervin	McClellan	Wiley
Frear	McNamara	Young

NOT VOTING—19

Bennett	Kennedy	Neely
Blakley	Kerr	Scott
Chavez	Langer	Smathers
Flanders	Lausche	Smith, N. J.
Goldwater	Long	Talmadge
Gore	McCarthy	
Ives		

So Mr. KNOWLAND's amendment was rejected.

The PRESIDING OFFICER. The bill is open to further amendment.

If there be no further amendments to be offered, the question is on the engrossment and third reading of the bill.

The bill (S. 1314) was ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That the Agricultural Trade Development and Assistance Act of 1954, as amended, is amended as follows:

(1) Sections 109 and 204 of such act are amended by striking out "1957" and substituting in lieu thereof "1958."

(2) Section 103 (b) of such act is amended by striking out "\$3,000,000,000" and inserting in lieu thereof "\$4,000,000,000."

(3) Section 203 of such act is amended by striking out "\$500,000,000" and inserting in lieu thereof "\$800,000,000."

(4) Section 304 of such act is deleted.

ORDER FOR ADJOURNMENT TO THURSDAY NEXT

Mr. JOHNSON of Texas. Mr. President, I should like to announce, for the information of the Senate, when the Senate concludes its business today it is our plan to go over to Thursday, so committees which desire to do so may meet

in the morning and in the afternoon, too.

Mr. President, I ask unanimous consent that when the Senate concludes its business today, it stand in adjournment until noon on Thursday next.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and it is so ordered.

JOINT COMMITTEE ON THE BUDGET

Mr. JOHNSON of Texas. Mr. President, I move that the Senate proceed to the consideration of Calendar No. 160, Senate bill 1585.

The PRESIDING OFFICER. The bill will be stated by title, for the information of the Senate.

The LEGISLATIVE CLERK. A bill (S. 1585) to amend the Legislative Reorganization Act of 1946 to provide for more effective evaluation of the fiscal requirements of the executive agencies of the Government of the United States.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from Texas.

The motion was agreed to; and the Senate proceeded to consider the bill.

ORDER OF BUSINESS

Mr. JOHNSON of Texas. Mr. President, I should like to announce that, so far as I am aware, there will be no other votes tonight, but the Senate will remain in session for as long as my colleagues may desire to address the Senate.

MENTAL HEALTH ACTIVITIES

Mr. KEFAUVER. Mr. President, we all know that the House presently is considering appropriations for the Departments of Labor and Health, Education, and Welfare, and related agencies.

I desire to call the attention of my colleagues to one item in the bill, which I understand is in danger of a cut in the present drive for economy, and which I think by all means should not be cut.

It is an appropriation of only \$35,217,000 for mental-health activities. It would be a tragic thing, I think, to apply a straight percentage cut to this item.

The dollars reduction would make little difference in our \$72 billion budget, but it would seriously impede the progress that is being made in research and treatment toward controlling mental illness, which is still one of our most serious problems.

More than 1 million patients are treated annually in our mental hospitals, and an additional large number are cared for in outpatient clinics and by private psychiatrists.

In my State of Tennessee, where we have during recent years made great strides in improving the treatment at our institutions, there is great support and interest in continuing the research and program, which is underway on both a national and State level, at its greatest efficiency.

To try to save on this program, when we know that about half of our hospital beds are occupied by mental patients and the annual costs of mental illness

continue to mount and are over the billion dollar mark, is shortsighted economy.

For we are just beginning, through the research and treatment and psychiatric programs now being discovered, to make some headway against this once hopeless disease.

The new tranquilizer drugs have permitted a new attack on mental illness. The immediate future, if we do not curtail the work, will probably see the development of other drugs and treatments.

Mr. President, we cannot—we dare not—through shortsighted economy take the grave risk of turning man back in his long effort to control mental illnesses.

Mr. President, now I wish to speak on another subject.

The PRESIDING OFFICER. The Senator from Tennessee has the floor.

FINANCIAL AND BUSINESS ACTIVITIES OF SECRETARY OF THE TREASURY GEORGE HUMPHREY

Mr. KEFAUVER. Mr. President, I wish to call the attention of the Senate to a portion of the column by Mr. Drew Pearson, which appeared in the Washington Post and Times Herald today.

The portion of the column to which I have reference refers to the activities of Secretary of the Treasury George Humphrey. It quotes Mr. Cyrus Eaton, of the Chesapeake & Ohio Railroad and of Otis & Co., on the financial and business activities of the Secretary, who continues to hold his stock in M. A. Hanna Co., and in his other farflung investments.

I ask unanimous consent that the portion of Mr. Pearson's column referring to Secretary Humphrey be printed at this point in my remarks.

There being no objection, the column was ordered to be printed in the RECORD, as follows:

[From the Washington Post and Times Herald of April 1, 1957]

CLEVELAND TYCOONS

Cyrus Eaton, of the Chesapeake & Ohio Railroad and the Cleveland investment firm, Otis & Co., had a recent private huddle with top Democratic leaders regarding another well-known Cleveland, Secretary of the Treasury George Humphrey.

Eaton urged a full Senate investigation of Humphrey, pointed out that the Secretary of the Treasury has not sold his stock in his farflung M. A. Hanna Co., said the stock had appreciated some \$800 million while Humphrey was in the Treasury, and that almost everything the Treasury handled affected Humphrey's private interests in some way or other.

Foreign business firms, he pointed out, had in some cases purchased coal from Humphrey's Pittsburgh Consolidation Coal Co., largest coal company in the world, because their countries had to do important business with the Secretary of the Treasury. Humphrey is a member of the board which controls the Export-Import Bank from which many countries have to borrow money.

Later, Eaton wrote a private letter to the Senators, dated March 9, which follows:

SIXTY-BILLION-DOLLAR ORBIT

"A further illustration of the manner in which George Humphrey continually uses his high public post to buttress his private business interests is provided by the recent pre-emption of top offices of the Federal Reserve

Bank of Cleveland by Humphrey henchmen.

"First, Arthur VanBuskirk, a director of Humphrey's Pittsburgh Consolidation Coal Co., was made chairman of the bank. This was swiftly followed by the naming of J. H. Thompson, president of Humphrey's M. A. Hanna Co., as vice chairman of the bank. With these adroit moves, another powerful financial institution boasting assets of \$4,755,000,000 was added to the Humphrey orbit, to bring to the incredible total of \$60,755,000,000 the combined assets of the corporations interlocked by officers and directors in the Humphrey-Hanna-Pittsburgh consolidated group.

"This does not tell the whole story, however, for there are other companies in which Humphrey exercises great influence without representation among officers and directors.

"Since the Secretary of the Treasury holds office by virtue of Senate approval, does not the Senate have a continuing moral obligation to take corrective action when the Secretary constantly uses his official public position to further his private business fortunes?"

Mr. KEFAUVER. Mr. President, it occurs to me that the business activities of a man of the undisputed influence on Government policy, both domestic and international, of Secretary Humphrey should be under the continuing scrutiny of the appropriate Senate committee.

A different standard was applied to Mr. Humphrey from that applied to other Cabinet members at the time of his confirmation. He, unlike Charles Wilson, who was then president of General Motors, was allowed to keep his stock. Perhaps that was not considered important at the time, but Mr. Humphrey is a strong-minded man and the imprint of the Secretary of the Treasury for better or worse, is indelible in all Government policy today. And furthermore it appears that the activities of the companies in which the Secretary is interested have expanded during the years since he was confirmed originally. The desirability for reconsideration is indicated. Such vast power requires continuing surveillance.

I hope the appropriate committee will look into the matters discussed by Mr. Eaton.

Mr. Eaton is a man who is worthy of consideration; a man who has many business interests himself. He is a man of good repute. I hope the appropriate committee will look into the statement set forth in Mr. Pearson's article, which refers to certain letters Mr. Eaton has written to Members of the United States Senate, and that there will be some scrutiny of this matter, and an investigation of it.

Mr. MORSE. Mr. President, will the Senator yield?

Mr. KEFAUVER. I yield to the Senator from Oregon.

Mr. MORSE. I should like to have permission to supplement what the Senator has said.

Mr. KEFAUVER. Mr. President, I yield the floor.

The PRESIDING OFFICER (Mr. NEUBERGER in the chair). The Senator from Oregon is recognized.

Mr. MORSE. Mr. President, I am very glad that my very good friend, the Senator from Tennessee, has brought up the matter concerning the Secretary of the

IN THE HOUSE OF REPRESENTATIVES

APRIL 2, 1957

Referred to the Committee on Agriculture

AN ACT

To extend the Agricultural Trade Development and Assistance Act of 1954, and for other purposes.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*
3 That the Agricultural Trade Development and Assistance
4 Act of 1954, as amended, is amended as follows:

5 (1) Sections 109 and 204 of such Act are amended by
6 striking out "1957" and substituting in lieu thereof "1958".

7 (2) Section 103 (b) of such Act is amended by strik-
8 ing out "\$3,000,000,000" and inserting in lieu thereof
9 "\$4,000,000,000".

10 (3) Section 203 of such Act is amended by strik-
11 ing out "\$500,000,000" and inserting in lieu thereof
12 "\$800,000,000".

13 (4) Section 304 of such Act is deleted.

Passed the Senate April 1, 1957.

Attest:

FELTON M. JOHNSTON,

Secretary.

35TH CONGRESS
1ST SESSION

S. 1314

AN ACT

To extend the Agricultural Trade Development
and Assistance Act of 1954, and for other
purposes.

APRIL 2, 1957

Referred to the Committee on Agriculture

85TH CONGRESS
1ST SESSION

H. R. 6974

IN THE HOUSE OF REPRESENTATIVES

APRIL 17, 1957

Mr. COOLEY introduced the following bill; which was referred to the Committee on Agriculture

A BILL

To extend the Agricultural Trade Development and Assistance Act of 1954, and for other purposes.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

3 That the Agricultural Trade Development and Assistance
4 Act of 1954, as amended, is amended as follows:

5 (1) Sections 109 and 204 of such Act are amended
6 by striking out "1957" and substituting in lieu thereof
7 "1958".

8 (2) Section 103 (b) of such Act is amended by strik-
9 ing out "\$3,000,000,000" and inserting in lieu thereof "\$4,-
10 000,000,000".

1 (3) Section 203 of such Act is amended by striking out
2 “\$500,000,000” and inserting in lieu thereof “\$800,000,-
3 000”.

85TH CONGRESS
1ST SESSION

H. R. 6974

A BILL

To extend the Agricultural Trade Development
and Assistance Act of 1954, and for other
purposes.

By Mr. COOLEY

APRIL 17, 1957

Referred to the Committee on Agriculture

Digest of CONGRESSIONAL PROCEEDINGS

OF INTEREST TO THE DEPARTMENT OF AGRICULTURE

OFFICE OF BUDGET AND FINANCE
(For Department Staff Only)

Issued May 7, 1957
For actions of May 6, 1957
85th-1st, No. 74

CONTENTS

Adjournment.....	12	Feed grains.....	3	Postal rates.....	22,30
Appropriations.....	1,29	Flood insurance.....	1	Poultry.....	5
Budget.....	11,16,24	Foreign aid.....	13,17	Property.....	8
Budget Bureau.....	14	Forestry.....	1	Public Law 480.....	5
Buildings.....	1	Lands.....	23	Public works.....	32
CCC.....	1,2,3	Life insurance.....	1,31	Reclamation.....	15
Civil defense.....	10	Livestock.....	21	Recreation.....	32
Claims.....	1,3	Loans, farm.....	6	Research.....	1
Cotton.....	2	Marketing.....	28	Small business.....	19
Dispersal.....	27	Meat promotion.....	5	Stockpile.....	2
Electrification.....	9	Minerals.....	25	Surplus disposal.....	5
Emergency range conservation.....	1	Monetary policy.....	7	Surplus food.....	17
Extension work.....	1	Pay costs.....	1	Tobacco.....	26
Farm program.....	4,18	Penalty mail.....	1	Wildlife.....	32
		Personnel.....	20,31		

HIGHLIGHTS: House passed bills for sale of extra-long staple cotton from stockpile and for relief from certain CCC claims in emergency feed program. Rep. Coad criticized administration of farm program. House committee reported (May 3) third supplemental appropriation bill. House committee ordered reported bills to extend Public Law 480, to provide compulsory inspection of poultry, and to provide self-help meat promotion program.

HOUSE - May 3

THIRD SUPPLEMENTAL APPROPRIATION BILL, 1957. The Appropriations Committee reported without amendment this bill, H.R. 7221, (H. Rept. 386). p. 5710 The bill includes the following items for this Department:

Agricultural Research Service:

Increase of \$66,000 in limitation on construction of buildings for replacement of a building at the Big Spring (Tex.) Field Station.

Penalty mail costs of State Experiment Station Directors, \$250,000.

Federal Extension Service, penalty mail costs of State Extension Service Directors, \$514,000.

Office of the Secretary, increased costs resulting from Federal Pay Act of 1956, \$23,400.

Forest Service, control of forest pests, \$800,000.

(All of the above amounts are the same as the Budget Estimates and would be provided by transfer from other appropriations of the Department.)

Increase in administrative expense limitation for Commodity Credit Corporation, \$2,000,000 (Budget Estimate, \$2,500,000).

Various amounts for claims for damages, audited claims, and judgments.

Excerpts from the committee report:

Emergency range conservation. "The committee has not included budget language which would have permitted the transfer of \$25,000,000 from funds available to the Soil Bank to implement the recommendations on deferred

grazing in the President's recent drought message. New legislation on this subject has just been adopted which will require the submission of a revised estimate at a later date. The Committee feels that this item should be denied at this time. Also, it is to be noted that the situation has now changed in much of the drought area."

'Employees' life insurance. "The Committee has not approved a \$76,500 increase in limitation for administrative expenses of this fund. The amount was requested for the Federal Government to assume the assets and liabilities of certain employee beneficial associations. Approval would cost the insurance fund \$22,000,000. The Committee is sympathetic, however, to the insurance needs of members of associations who retired from Federal employment before the Federal insurance program became effective, and would consider a fair and reasonable ^{proposal} by the Civil Service Commission to assume the policies of such members."

Flood insurance. "The committee has denied the \$50,000,000 budget estimate to institute a new and experimental subsidy program of Federal flood insurance, but recommends that the agency use the \$325,000 it now has for further study to develop a more workable plan. The proposal for flood indemnity that has been presented to the Committee is too indefinite and costly.

"The present plan contemplates that 40% of the cost of the premiums and all administrative costs would be borne by the Federal government. The premium cost is almost prohibitive. The Government would underwrite all losses, and estimates of those losses are too indefinite. The program certainly would be very costly to the Government and the policyholders.

"It is clear that the budget estimate for \$50,000,000 is merely the initial step committing the taxpayers to a new program and the Committee does not recommend such a step at this time when every effort is being made to reduce Federal spending."

HOUSE - May 6

2. COTTON. Passed without amendment H. J. Res. 172, to provide for the transfer of 50,000 bales of extra-long staple cotton from the stockpile to CCC for sale at not less than the prices which CCC may sell its own stocks. p. 5666
3. FEED GRAINS. Passed without amendment H.R. 2486, to authorize CCC to grant relief with respect to claims arising out of deliveries of eligible surplus feed grains on ineligible dates in connection with purchase orders under the emergency feed program. p. 5666
4. FARM PROGRAM. Rep. Coad criticized farm policies as being favorable to the "large, efficient commercial farmers," and urged the appointment of former Congressman Clifford Hope as Secretary of Agriculture. pp. 5660-61
5. SURPLUS DISPOSAL; ~~POULTRY; MEATS.~~ The Agriculture Committee ordered reported, on May 3, the following bills: p. D375
H.R. 6974, to extend the Agricultural Trade Development and Assistance Act of 1954 (Public Law 480) for one year, to increase the authorization under Title I from \$3 billion to \$4 billion, and to authorize \$300 million additional under Title II for famine relief.
H.R. 6814, to provide for the compulsory inspection by the Department of Agriculture of poultry and poultry products.
H.R. 5244 (a clean bill to be introduced), to provide for a self-help meat promotion program.

Digest of CONGRESSIONAL PROCEEDINGS

OF INTEREST TO THE DEPARTMENT OF AGRICULTURE

OFFICE OF BUDGET AND FINANCE
(For Department Staff Only)

Issued May 10, 1957
For actions of May 9, 1957
85th-1st, No. 77

CONTENTS

Adjournment.....16	Foreign aid.....26	School lunch.....10
Administrative expenses.31	Housing.....3,7	Soil bank.....21
Appropriations.....4,33	Imports.....32	Statehood.....13
Budget.....12	Labeling.....30	Surplus disposal.....1
Construction contracts...2	Lands.....35	Taxation.....11,19
Electrification...18,24,34	Legislative program...4,15	Trade, foreign.....1,22
Emergency range	Meat promotion.....1	agreements.....14
conservation.....5	Natural resources.....6	Transportation.....8
Expenditures.....23	Personnel.....17,28	Water, pollution.....9
Farm program.....20	Public Law 480.....1	Wheat.....27
Food and drug.....25	Reclamation.....9,36	Wilderness areas.....9
Food stamps.....29	Recreation.....9	

HIGHLIGHTS: House committee reported bills to extend Public Law 480, and to provide self-help meat promotion program. House committee was permitted until midnight tonight to file report on Agriculture appropriation bill.

HOUSE

1. SURPLUS DISPOSAL; FOREIGN TRADE; ~~MEAT PROMOTION~~. The Agriculture Committee reported without amendment the following bill: p. 5999
H.R. 6974, to extend the Agricultural Trade Development and Assistance Act of 1954 (Public Law 480) for one year, to increase the authorization under Title I from \$3 billion to \$4 billion, and to authorize \$300 million additional under Title II for famine relief (H. Rept. 432).
H.R. 7244 (a revision of H.R. 5244), to provide for a self-help meat promotion program (H. Rept. 431).
2. CONSTRUCTION CONTRACTS. The Judiciary Committee reported without amendment H.R. 7168, to prescribe policy and procedure in connection with construction contracts made by executive agencies (H. Rept. 434). p. 5999
3. HOUSING. Passed with amendment H.R. 6659, to extend and amend laws relating to the provision and improvement of housing, including a provision for research on farm housing (see Digest 61 for summary of farm housing provision). pp. 5980-91
4. APPROPRIATIONS; LEGISLATIVE PROGRAM. The Appropriations Committee was granted permission until midnight tonight, May 10, to file a report on the 1958 agricultural appropriation bill (p. 5979). Rep. McCormack announced that the bill will be considered on Tues., May 14 (p. 5992).

SENATE

5. APPROPRIATIONS. Received from the President a revision of a proposed supplemental authorization for fiscal year 1957 (S. Doc. 36) for emergency range conservation, Agricultural Conservation Program Service - \$25,000,000 for carrying out the provisions of the act of April 25, 1957 (Public Law 85-25), which authorizes a program for deferred grazing. (The purpose and amount of the authorization are the same as previously requested in H. Doc. 115 (see Digest 43).) To Appropriations Committee. p. 5930
The Appropriations Committee reported with amendments H.R. 4897, the Treasury-Post Office appropriation bill for 1958 (S. Rept. 297). (p. D391) Sen. Johnson stated the bill would be taken up Mon., May 13 (p. 5973). Granted leave to the Committee to file reports during the recess (p. 5972).
6. NATURAL RESOURCES. S. Res. 73, authorizing a study of critical raw materials and resources of the Soviet Union and other Eastern hemisphere countries, was made the pending business. p. 5972
7. HOUSING. The Housing Subcommittee of the Banking and Currency Committee announced its tentative agreement to proposals to establish a 2% down-payment schedule on amounts up to \$12,000, and 35% on higher sums, and to regulate the discount rate on FHA- and VA-guaranteed loans. p. D392
8. TRANSPORTATION. Sen. Frear inserted a Del. Legislature resolution urging repeal of the excise taxes on transportation. pp. 5930-1
9. WILDERNESS; RECLAMATION; WATER CONSERVATION; POLLUTION. Sen. Wiley inserted resolutions adopted by the Izaak Walton League, urging the Federal Government to coordinate its efforts of withdrawing land from farm production while reclaiming other lands, to urge planning of outdoor recreation resources reviews, to perpetuate wilderness areas, to amend Public Law 732 (79th Cong.) for better coordination of game fish and wildlife values of Federal projects, to oppose harmful air pollution, and to continue the expenditure of water pollution funds. pp. 5931-2
10. SCHOOL LUNCH. Sen. Murray inserted a statement on his bill, S. 1787, to continue school lunch programs for districts receiving Federal aid for educating Indian children. p. 5936
11. TAXATION. Sen. Morse criticized the rapid tax amortization program. p. 5944
12. BUDGETING. Received an Ind. Legislature resolution applying for a constitutional amendment to require a balanced budget (May 8). pp. 5764-5
13. STATEHOOD. Received a Hawaii Legislature resolution requesting statehood ; (May 8). p. 5767
14. TRADE AGREEMENTS. Sen. Bible inserted a Western Governors Conference resolution urging review of escape clause recommendations by Congress (May 8). p. 5769
15. LEGISLATIVE PROGRAM. Sen. Johnson stated his intention to have the Senate meet on Mon., Wed., and Thurs. only, with Tues., Fri., and Sat. reserved for Committee sessions, with exceptions when appropriation bills were on the calendar (p. 5973). By unanimous consent the call of the calendar will be dispensed with on Mon., May 13 (p. 5945).
16. ADJOURNED until Mon., May 13. p. 5973

EXTENSION OF PUBLIC LAW 480

MAY 9, 1957.—Committed to the Committee of the Whole House on the State of the Union and ordered to be printed

Mr. COOLEY, from the Committee on Agriculture, submitted the following

REPORT

[To accompany H. R. 6974]

The Committee on Agriculture, to whom was referred the bill (H. R. 6974) to extend the Agricultural Trade Development and Assistance Act of 1954, and for other purposes, having considered the same, report favorably thereon without amendment and recommend that the bill do pass.

GENERAL STATEMENT

Public Law 480 was approved July 10, 1954, as an emergency program for disposing of surplus agricultural commodities through various means calculated to return some permanent benefit to the United States. The methods of disposal included (1) sale for foreign currencies, (2) barter, and (3) donation both domestic and foreign. The act consists of three titles. Title I deals with sales for foreign currencies. Title II deals with foreign donations. Title III deals with barter and with domestic donations.

Title I originally provided an authorization of \$700 million for the sale of surpluses abroad to friendly countries for foreign currencies. On August 12, 1955, this authorization was increased to \$1.5 billion and on August 3, 1956, to \$3 billion. This bill will further increase that authorization to a total of \$4 billion.

Title II originally authorized the expenditure of not more than \$300 million for foreign donation programs. This was later increased to \$500 million and this bill would again increase this amount to a total of \$800 million.

The termination date of programs under titles I and II of the act is June 30, 1957, and is by this bill extended 1 additional year, to June 30, 1958.

No other changes are made in the act by this bill.

Title III deals with barter and with the permanent surplus disposal and donation programs embodied in the Agricultural Act of 1949.

There is no termination date or dollar limitation on these programs and no change in these provisions of law is made by this bill.

Title III also includes a section prohibiting transactions under this act with Communist nations or nations "dominated or controlled by U. S. S. R." The bill transmitted to the Speaker by Executive Communication No. 480 included a provision which would have repealed this section and would have had the effect of authorizing barter transactions with such nations. A separate provision in title I (secs. 101 and 107) would have continued to prohibit sales of surpluses to these countries for foreign currency.

The bill reported herewith does not include the provision repealing section 304 and makes no change whatever in the existing law and policy relating to either barter or sales for foreign currency to Communist-dominated countries.

TITLE I PROGRAM

Title I authorizes the President to enter into agreements with friendly nations or organizations of friendly nations for the sale of surplus agricultural commodities for foreign currencies, to be used for market development, foreign assistance, payment of United States obligations abroad, and certain other purposes. Under existing legislation, new agreements cannot be entered into after June 30, 1957. Agreements are negotiated through diplomatic channels.

After agreements are signed, purchase authorizations are issued to importing governments by the Foreign Agricultural Service. These authorizations specify the kinds, quantities, and maximum dollar values of the commodities to be purchased, and the conditions under which financing will be made available. Public announcements are made of these authorizations for use by United States suppliers in making sales with foreign importers.

Normal commercial procedures, based largely on letters of credit, are followed in carrying out title I sales. Importers pay for commodities in local currencies through their local banks. United States suppliers are paid in dollars by United States banks with which the foreign banks have established dollar letter of credit arrangements. The United States banks are reimbursed by the Commodity Credit Corporation. The foreign currency purchase price of the commodities is deposited to the account of the United States Government in accordance with arrangements made between governments of the United States and the importing country.

SALES OF COMMODITIES

Since the inception of the program, 87 agreements or supplements to agreements have been entered into with 30 countries. These agreements include commodities involving a total CCC cost of about \$2.9 billion and a total export market value of about \$2 billion. These costs include about \$225 million in ocean transportation which are being financed by CCC.

The title I authorization is in terms of CCC cost which includes the cost of commodities, processing, handling, and other costs. The export market value represents the prices actually paid by importers under individual transactions. Because of this cost difference,

programing of \$2 billion in export market value has nearly exhausted the CCC cost limitation of \$3 billion.

These agreements provide for the shipment of 430 million bushels of wheat, 2.5 million bales of cotton, 22 million bags of rice, 1.2 billion pounds of vegetable oils, 140 million pounds of tobacco, 150 million pounds of meat, 200 million pounds of lard, 75 million bushels of feed grains, 130 million pounds of dairy products, 80 million pounds of fruit and vegetables, as well as other commodities.

About \$1 billion worth of commodities at export market value has already been exported. By the end of the current fiscal year, the Department of Agriculture advises, shipments should total about \$1.2 billion. A large portion of the unshipped balance on June 30, 1957, will represent the 1958 and 1959 programs with India and Brazil under their 3-year agreements.

Fiscal year 1956 was the first full year of title I operations. During that year, about \$427 million worth of commodities was exported or 12 percent of total United States agricultural exports. Shipments this fiscal year are averaging about \$60 million per month and are expected to comprise about 16 percent of our total agricultural exports which are expected to establish a new record.

In terms of tonnage, title I programs exceed 16 million metric tons, of which somewhat more than 50 percent has been shipped. Over 3 million metric tons were shipped during the first 6 months of this fiscal year.

Dollar value and quantities of all commodities programed since the inception of the program are given in tables I and II.

TABLE I.—Commodity composition of programs under title I, Public Law 480, agreements signed from beginning of program through Feb. 28, 1957

[In millions of dollars]

Country	Wheat	Feed grains	Rice	Cotton ¹	Tobacco	Dairy products	Fats and oils	Other	Market value	Ocean transportation	Market value including ocean transportation ²	Estimated CCC cost including ocean transportation
Argentina.....							30.4		30.4	0.7	31.1	34.0
Austria.....	3.4	10.6		6.1	3.5		2.4	3.0	28.3	2.3	30.6	41.8
Brazil.....	144.7	.9				2.2	8.3		156.3	23.9	180.2	300.2
Burma.....				17.5	1.1	2.0		3.2	21.7	.9	22.6	31.2
Chile.....	12.1			5.3	.2	1.0	16.0	2.5	37.1	3.0	40.1	56.0
China (Taiwan).....				5.0	1.7	1.5	9.2		20.8	.6	21.4	24.1
Colombia.....	5.0			7.6		.7	2.5		15.8	1.1	16.9	24.1
Ecuador.....	2.2	.3		.8	.7		3.5		7.5	.6	8.1	10.3
Egypt.....	17.1								17.1	2.5	19.6	38.7
Finland.....	6.3	2.3		5.8	6.0	.5		3.2	22.1	1.9	24.0	34.3
France.....					2.1				2.1		2.1	2.1
Germany.....								6.2	1.2		1.2	1.2
Greece.....	14.7	5.4				3.6	14.3		38.0	4.0	42.0	57.2
India ⁷	200.0		26.4	70.0	6.0	3.5			305.9	60.2	366.1	553.4
Indonesia.....	5.0		35.8	36.0	15.0				91.8	6.0	97.8	154.0
Iran.....	9.5								10.3	2.5	12.8	21.3
Israel.....	15.8	10.1	.1	2.6	.4	4.1	3.0		46.4	5.2	51.6	76.6
Italy.....	1.6	10.0		65.3	8.9		30.0		115.8	4.6	120.4	161.1
Japan.....	48.6	15.4	14.4	52.8	7.7				138.9	12.6	151.5	208.1
Korea.....	8.5	15.3	22.5	9.8	6.6	1.0	1.5	10.8	73.2	8.4	81.6	96.8
Netherlands.....				.27					.27	.01	.28	.4
Pakistan.....	26.6		41.9	29.0	4.8	2.5	3.3		108.1	12.6	120.7	195.7
Paraguay.....	1.7					.4	.5		2.6	.4	3.0	4.3
Peru.....	8.9					.2	3.0		12.1	1.4	13.5	20.2
Portugal.....	6.3								6.3	.8	7.1	13.7
Spain ¹¹	4.6								161.7	15.0	176.7	199.2
Thailand.....		9.1		132.9	6.2	.46	89.6	12.9	236	.14	255	288
Turkey.....	52.8	18.0	1.4		1.9	.6	16.3	13.4	94.0	16.2	110.2	163.7
United Kingdom.....					27.0				27.0	.4	27.4	27.4
Yugoslavia.....	132.2			30.9			26.0		189.1	33.2	222.3	344.8
Total agreements.....	727.6	97.4	142.5	377.67	100.0	25.06	251.6	47.9	1,768.73	221.15	1,990.88	2,887.1

¹ Spanish program includes \$0.3 million cotton lintners.

² Includes only ocean transportation to be financed by CCC except as noted in footnote 8.

³ Fruit.

⁴ Includes \$111.0 million under fiscal year 1957 agreement to be shipped over a 3-year period.

⁵ Hay and pasture seeds \$2.5 million.

⁶ Poultry.

⁷ 3-year program except rice, which is a 1-year program.

⁸ Includes \$6 million estimated for ocean freight differential for which no rupee deposits are required. The balance, \$34.2 million, only, is reflected in the currency use table III.

⁹ Dry edible beans, \$0.3 million; chilled or frozen beef, \$10 million.

¹⁰ Canned pork.

¹¹ Wheat to be sold to Spain for resale to Switzerland for financing procurement of Swiss goods by Spain.

¹² Hams, \$1.6 million; salt pork, \$0.8 million; potatoes, \$1.4 million; frozen beef, \$15.5 million.

¹³ Canned and frozen beef.

TABLE II.—Approximate quantities of commodities under title I, Public Law 480, agreements signed from beginning of program through Feb. 28, 1957

Country	Wheat and flour	Feed grains	Rice	Cotton	Tobacco	Dairy products	Fats and oils	Poultry	Dry edible beans	Fruit and vegetables	Meat	Hay and pasture seeds
Argentina	Thousand bushels	Thousand bushels	Thousand hundred-weight	Thousand bales	Thousand pounds	Thousand pounds	Thousand pounds	Thousand pounds	Thousand hundred-weight	Thousand pounds	Thousand pounds	Thousand hundred-weight
Austria	2,025	7,091		42.5	5,900	10,190	220,000			61,974		
Brazil	784,974	688			125	9,082	\$ 16,552					
Burma				125.2	1,467	9,900	\$ 55,092			61,579		
Chile	7,316			37.6	300	9,900	94,019					
China (Taiwan)				35.6	2,000	5,062	10,811					55
Colombia	2,612			48.3		3,807	14,141					
Ecuador	1,148	189		6.0	923		27,959					
Egypt	10,329											
Finland	3,724	1,581		36.1	9,900	1,163				610,720		
France					3,216							
Germany								3,000				
Greece	8,571	5,073				28,456	\$ 83,288					
India	128,600		4,409	500.0	6,000	14,770						
Indonesia	2,894	5,629		248.7	23,000							
Iran	2,120											
Israel	9,251	8,463		15.6	550	11,708	5,773					
Italy		6,410		453.8	11,798	14,197	19,450		37		\$ 40,000	
Japan	31,030	12,425	2,111	305.0	9,462		196,815					
Korea	5,408	13,115	3,214	50.0	12,667							
Netherlands				1.8		2,751	9,677				\$ 19,842	
Pakistan	16,019		6,636	189.5	5,317	5,105	21,159					
Paraguay	9,994					933	\$ 3,126					
Peru	5,014					621	22,000					
Portugal	3,751											
Spain	102,446	6,369					515,001					
Thailand				221.9	11,388	1,957	113,723			666,667	\$ 74,707	
Turkey	30,547	14,424	220		2,700	3,042					\$ 17,155	
United Kingdom					38,625							
Yugoslavia	76,566			199.7			\$ 193,916					
Total	436,287	75,828	22,226	2,517.2	145,428	122,844	1,622,502	3,000	37	80,940	151,764	55

See footnotes on p. 6.

TABLE II.—Approximate quantities of commodities under title I, Public Law 480, agreements signed from beginning of program through Feb. 28, 1957—Continued

¹ See the following:	Thousand bushels	Thousand pounds
Feed wheat.....	1, 813	
Corn.....	29, 442	
Oats.....	5, 843	
Barley.....	32, 935	
Grain sorghums.....	5, 795	
Total.....	75, 828	
² Includes 15,400 bales cotton lintners for Spain.		
³ See the following:	Thousand pounds	
Condensed milk.....	7, 054	
Dry whole milk.....	3, 328	
Nonfat dry milk.....	42, 561	
Evaporated milk.....	21, 321	
Butter.....	12, 698	
Cheese.....	11, 521	
Butter oil.....	2, 835	
Butter oil and/or ghee.....	15, 276	
Ghee.....	4, 249	
Whey.....	2, 001	
Total.....	122, 841	
⁴ See the following:		
Cottonseed oil.....	121, 590	
Cottonseed oil and/or soybean oil.....	773, 118	
Cottonseed oil, soybean oil and/or lard.....	320, 151	
Linseed oil.....	11, 945	
Lard.....	230, 595	
Tallow and/or grease.....	165, 103	
Total.....	1, 622, 502	

⁵ Entire quantity shown for country is lard except Brazil, Chile, Greece, Paraguay, and Yugoslavia, which include lard as follows:	Thousand pounds
Brazil.....	44, 069
Chile.....	3, 241
Greece.....	3, 571
Paraguay.....	1, 300
Yugoslavia.....	161, 862

⁶ See the following:	
Austria:	
Canned fruit and fruit juices.....	47
Dried fruit.....	1, 927
Burma:	
Canned fruit and fruit juices.....	769
Dried fruit.....	810
Finland:	
Dried fruit.....	9, 800
Fresh pears.....	920
Spain: Potatoes.....	

⁷ Includes 65,053,000 bushels under fiscal year 1957 program to be shipped over a 3-year period.	
⁸ 3-year program except rice, which is a 1-year program.	
⁹ Israel, frozen beef; Korea, canned pork; Spain, canned hams, 2,571, salt pork, 4,267 frozen beef, 67,929; Turkey.	
¹⁰ Wheat to be sold to Spain for resale to Switzerland for financing procurement of Swiss goods by Spain.	

USES OF FOREIGN CURRENCIES

The foreign currencies which accrue from title I sales may be used only for purposes specified in section 104 of the law. The currently planned uses of foreign currencies for these purposes are set out in table III.

Market development projects are under way in 20 countries involving the equivalent of about \$5 million. About \$32 million is earmarked for this purpose under existing agreements. Market development projects include marketing studies, exhibits at trade fairs, advertising and promotional displays, and exchange visits of industry representatives of the United States and the foreign countries concerned.

Payment of United States obligations overseas includes such obligations as costs of military base construction, continuing administrative and operating expenses of the Department of State and the United States Information Agency, and the purchase or construction of military family housing.

Currencies are being used for educational exchange programs, for assistance to American-sponsored schools, libraries, and community centers, and for the translation, publication, and distribution of books and periodicals abroad.

Substantial amounts of the foreign currencies are being used to promote economic development. Virtually all of these development funds are loaned to participating countries with programs being worked out by the foreign governments in cooperation with the United States. Direct grants of currencies for economic development purposes are made only in special circumstances.

Of the agreements signed to date, almost 60 percent, or about \$1.1 billion of foreign currency payments is earmarked for use for economic development loans.

Finally, foreign currencies are used for the purchase of strategic materials, procurement of military services and equipment for the common defense abroad, and for the purchase of goods for other friendly countries.

From table III it is seen that most of the foreign currencies being generated under title I agreements are to be used in furtherance of the foreign aid program, United States foreign policy interests, and other nonagricultural purposes. Only 1.6 percent of the total is planned for market development for agricultural commodities, while 98.4 percent is planned for other uses, as shown by the following table:

TABLE III.—Planned uses of foreign currency under title I, Public Law 480, agreements signed from beginning of program through Feb. 28 1957¹

[In millions of dollars]

Country	Total amount programmed (market value including ocean transportation)	Market development (104a)	Purchase of strategic material (104b)	Military procurement (104c)	Purchase of goods for other countries ² (104d)	Grants for multilateral trade and economic development (104e)	Payment of United States obligations ³ (104f)	Loans for multilateral trade and economic development (104g)	International education exchange (104h)	Translation and publication (104i)	Information and education (104j)
Argentina.....	31.1	0.6	-----	-----	(²)	-----	9.8	20.0	0.7	-----	-----
Austria.....	28.6	.7	-----	-----	2.0	-----	9.9	16.0	-----	-----	-----
Brazil.....	180.2	2.7	3.2	2.0	-----	-----	19.6	149.2	2.1	0.5	0.9
Burma.....	21.7	.5	-----	-----	(²)	-----	3.9	17.3	-----	-----	-----
Chile.....	40.1	.8	-----	-----	-----	-----	7.0	31.7	.6	-----	-----
China (Taiwan).....	9.8	.7	-----	4.9	-----	-----	3.4	-----	.8	-----	-----
Colombia.....	16.9	.8	-----	-----	(²)	-----	5.5	10.0	.6	-----	-----
Ecuador.....	8.1	.4	-----	-----	-----	-----	.8	6.3	.4	-----	.2
Egypt.....	19.6	.5	-----	-----	-----	-----	4.7	13.6	.8	-----	-----
Finland.....	24.0	.5	-----	-----	(²)	-----	23.2	-----	.3	.05	-----
France.....	2.1	1.2	-----	-----	.6	-----	.3	-----	-----	-----	-----
Germany.....	1.2	1.1	-----	-----	-----	-----	.1	-----	-----	-----	-----
Greece.....	42.0	1.3	-----	-----	-----	7.5	9.2	23.5	-----	-----	.5
India, 3-year program.....	360.1	4.0	-----	-----	(²)	54.0	66.2	231.1	1.8	-----	-----
Indonesia.....	97.8	1.0	2.0	-----	-----	-----	17.1	77.4	.3	-----	-----
Iran.....	12.8	.2	-----	5.9	-----	-----	3.3	2.5	.7	-----	.2
Israel.....	51.6	.4	-----	-----	(²)	-----	14.4	36.8	-----	-----	-----
Italy.....	120.4	2.7	1.0	-----	² 10.0	-----	23.3	82.4	-----	-----	1.0
Japan.....	151.5	3.3	-----	(⁴)	10.9	-----	³ 26.3	108.9	2.1	-----	-----
Korea.....	81.6	.5	-----	65.1	.9	-----	14.5	-----	.9	-----	.6
Netherlands.....	.28	.25	-----	-----	-----	-----	.03	-----	-----	-----	-----
Netherlands.....	120.7	1.7	-----	74.3	-----	-----	18.8	23.6	1.0	.3	1.0
Pakistan.....	3.0	.2	-----	-----	-----	.5	.5	2.2	.1	-----	-----
Paraguay.....	13.5	.7	-----	-----	-----	2.6	9.7	9.7	.5	-----	-----
Peru.....	7.1	.3	-----	-----	-----	3.1	3.1	3.4	.3	-----	-----
Portugal.....	176.7	3.0	1.0	-----	-----	-----	62.9	107.7	1.1	.5	.5
Spain.....	2.5	.4	-----	-----	-----	-----	.65	1.0	.45	-----	-----
Thailand.....	110.2	.7	-----	-----	-----	-----	50.4	54.9	1.6	.1	2.5
Turkey.....	27.4	-----	-----	(⁴)	-----	-----	³ 27.4	-----	-----	-----	-----
United Kingdom.....	222.3	1.0	-----	88.8	-----	-----	49.5	82.7	-----	.3	-----
Yugoslavia.....	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----
Total agreements.....	4 ¹ 1,984.88	32.15	7.2	241.0	23.5	61.5	478.38	1,114.9	17.15	1.75	7.4
Uses as percent of total.....	100.0	1.6	.4	12.1	1.2	3.1	24.1	56.2	.9	.1	.3

¹ Amounts shown on this table are subject to adjustment when actual purchases and allocations have been made.

² Amounts shown in this column indicate a specified amount in the agreement for this use. Footnote 2 only shows an unspecified amount for possible procurement for 3d countries. A footnote and an amount indicate more than 1 agreement including both specified and unspecified amounts.

³ In order to provide flexibility in the use of funds, many agreements provide that a specified amount of local currency proceeds may be used under secs. 104 (a), (b), (f), (h), and (i). In some instances, possible uses under sec. 104 (d) are also included in this category. Therefore, estimates based on the best information now available are indicated above under subsecs. (a), (b), (h), and (i). Balances not otherwise distributed are included under subsec. (f). This distribution is subject to revision when allocations have been completed.

⁴ Total market value in table III differs from total in table I by the \$6 million estimated for ocean freight differential in the Indian agreement for which no rupee deposits will be required.

⁵ The Japanese agreement for the July-June year 1955-56 provides for the use of \$8.1 million and the United Kingdom agreements provide for the entire currency use under subsec. 104 (c). However, since in return for this currency use these countries will construct and make available to the U. S. Armed Forces an equivalent value of dependent housing, the amounts are shown under 104 (f).

⁶ In some instances column totals do not add to total amount programed because of slight differences in rounding.

CONSTRUCTION OF THE ACT

This committee is disturbed and alarmed by some of the interpretations of the provisions of the act evidenced by those responsible for its administration. Public Law 480 is, admittedly, a complex and in some instances obscurely worded statute. Its complexities do not, however, justify construing into the statute problems and complications which Congress had no intent of placing there nor do they justify construing out of the statute policies and objectives which Congress has clearly and specifically included therein.

This committee would remind those in charge of administering this law that it is not intended as a permanent part of either our agricultural or our foreign trade program. It is an emergency law designed for the sole purpose of making the best of a bad situation by providing for the disposal of agricultural surpluses in a manner which will return some benefit—if possible, a permanent benefit—to the United States. What are these benefits sought to be achieved? One need look no further than the title of the act itself to discover the first, and, in the opinion of this committee, the most important tangible benefit Congress had in mind: development abroad of new and expanded commercial markets for American agricultural products. It is not without significance that the first words in the title of the act are “Agricultural Trade Development” and that the very first of the 10 general objectives spelled out in section 104 is “to help develop new markets for United States agricultural commodities on a mutually benefiting basis.”

It is, therefore, disturbing to this committee to find (see table III) that other programs and objectives are scheduled to take 98.4 percent of all the funds thus far generated under title I and that only 1.6 percent of the total of foreign currencies available is planned for the development of new foreign markets for agricultural commodities.

DEVELOPMENT OF NEW MARKETS

The committee does not criticize the market development programs which have thus far been undertaken. Most of them appear to be eminently worthwhile. If, however, real progress is to be made in the development of new commercial markets for American agricultural products outside the United States, this objective of Public Law 480 must receive far greater emphasis in the additional year's time and the additional billion-dollar authorization than it has received in carrying out the program thus far.

From its almost continuous study of this situation, this committee is convinced that the possibilities for development of new and expanded markets in other countries for American agricultural products can only be described as “tremendous.” One need look no further away than South America (to which this committee devoted considerable study in the fall of 1955) to discover a potential market of exciting magnitude for our agricultural commodities.

Virtually the whole Continent of South America is in the first phases of an era of industrial and resource development comparable to that which took place in the United States in the last half of the 19th century. South America is rich in minerals and other natural resources. To a large extent its potential output is noncompetitive with that of the United States and, indeed, many of its products are com-

modities which this country is forced to import. At the same time, the agricultural potential of South America, particularly in some of the countries richest in minerals and other natural resources, is far more limited than most North Americans realize. Many South American countries today must import a substantial portion of their staple food commodities and as industrial and economic development takes place in those countries, as the income and purchasing power of the population increases, there will be an ever-increasing demand for food commodities of a kind which the agriculture of the United States is capable of producing in abundance.

The development of these markets will not wait forever. If the United States does not take steps now to make its products available we can be sure that other nations will move in and also that manpower and energy which might better be put to other uses will be set to domestic production of agricultural products, establishing an economic pattern which, even though detrimental to the country's maximum development, may later be difficult to change.

It appears to the committee that the effectuation of the policy of Congress with respect to market development under Public Law 480 will require not only the allocation of a greater portion of available foreign currencies to this purpose but also the use of those funds in additional ways, and a more liberal interpretation by the Secretary of Agriculture of commodities available for sale under title I. It seems to the committee that market development activities should include not only consumer education programs, studies of consumer preference and market potential, displays at trade fairs, etc., but also the use of available foreign currencies for the development and establishment of facilities and machinery for the distribution in foreign countries of American farm products. There is nothing in Public Law 480 to prevent the use of foreign currencies generated thereunder for loans to aid in the establishment of the physical plants, facilities, and outlets throughout the distribution channel which will aid in the distribution of and the establishment of markets for our agricultural products. The committee is of the opinion that these funds should be so used whenever it is apparent that the lack of physical facilities is a deterrent to the distribution and sale of our farm products and where it appears that a profitable trade in such products might be established if such facilities were available. It is further of the opinion that funds used for this purpose should be considered in the nature of risk capital and need not be surrounded with all of the limitations and safeguards imposed on those loans which are made for general economic development.

The objective of developing new markets and future profitable trade in United States agricultural commodities and their products can be furthered also by making available to other countries—as contemplated by the general purposes of Public Law 480—commodities and products of a type which might reasonably be expected to find a substantial volume of profitable commercial demand in the country to which they are sent. Effectively to stimulate and facilitate foreign trade in these commodities and products and to further the policy of Congress as declared by section 2 of the act necessitates full recognition by the Secretary of Agriculture and other administrative officials of the intent of Congress to make any surplus agricultural commodity as defined in the act eligible for sale under the authority of the act,

whether or not the Commodity Credit Corporation owns or has acquired stocks of such commodities under price-support programs. Substantial market potential exists in many countries of the world for our surplus agricultural commodities which are not under price support or which are not acquired by the Commodity Credit Corporation and every effort should be made by the Secretary to utilize the authority of this act to assist in the development of markets for any surplus agricultural commodity and its products and to authorize the sale thereof whenever a market potential exists or appears to exist.

FOREIGN AGRICULTURAL SERVICE

It appears to the committee that more of the foreign currencies available under Public Law 480 might well be used for the development of an even more effective Foreign Agricultural Service. The primary overseas function of the employees of this Service is to develop new and expanded markets for American agricultural products. Diplomatic relations are conducted by other members of our foreign missions. The writing of reports and the transmitting of data to the Secretary of Agriculture is an important but collateral job to the main function of the agricultural attaché, which is to represent American agricultural production in foreign countries. In many countries additional physical facilities, including perhaps a more suitable residence, would be of assistance to the agricultural attaché in selling American agricultural products. Where such facilities are needed, local currencies generated under Public Law 480 might well be used for that purpose.

4-H CLUBS

Members of this committee have studied the possibility of developing in certain countries taking part in the 480 program clubs similar to our own 4-H Clubs for farm boys and girls. The basic objective of these clubs is the development of better rural life and the learning of the basic principles of democracy and self-improvement. Establishment and encouragement of such clubs in some of the countries taking part in the Public Law 480 program would appear to be one of the beneficial uses to which foreign currencies generated by the program could be put. The use of these currencies for such a purpose appears to be clearly within the general objectives and authority of the legislation and would be specifically authorized by subsection 104 (e) authorizing the use of such currencies for the general economic development of the purchasing nation.

RESTRICTIONS ON SHIPPING

It has come to the attention of the committee that foreign embassies and purchasing agencies authorized under the terms of Public Law 480 agreements to make purchases under the program in this country have in some instances limited or restricted the ports to which commodities might be delivered under their purchase contracts for shipment abroad and that officials of the Department of Agriculture, while aware of this situation, have felt that they could not prevent such action because of certain language in the act. The committee is not aware of any language in the act which should be construed to prevent

the officials in charge of the 480 program from requiring that purchases by foreign countries thereunder should be made without restriction as to which ports commodities may be shipped through unless there is a clear economic reason for so stipulating. Officials should also exercise to the fullest their authority to permit use of any available shipping when suitable space is in tight supply.

ACCOUNTING

This committee concurs with the position of the Senate Committee on Agriculture and Forestry expressed in the paragraph beginning at the bottom of page 3 in its report (S. Rept. No. 188) on the similar Senate bill (S. 1314) that in accounting for funds expended or costs accruing under the Public Law 480 program a clear distinction be made between those costs or expenditures which are for the benefit of American agriculture and those which are for the benefit of or attributable to nonagricultural programs.

FRUIT AND OTHER COMMODITIES

The committee also concurs in the position of the Senate committee with respect to the application of title I to fruit and other commodities as expressed on pages 4 and 5 of Senate Report No. 188. The committee believes that substantial market potential exists for many non-CCC inventory items such as poultry and dairy products and other livestock products. This measure will permit the undertaking or the continuation of programs such as the poultry program which was started in Germany last year and has already demonstrated possibilities for establishing entirely new markets which never before existed for United States agricultural products.

TITLE II

The bill provides for an increase in the authorization under title II of \$300 million. Since current commitments under this title are approximately \$300 million, the effect of this provision is to restore the authorization to the level of the existing \$500 million limitation.

This title authorizes a program by which we can help friendly foreign people in time of need. It has been used to help feed Hungarian refugees in Austria; to alleviate distress caused by floods in Afghanistan and Iran; and to furnish emergency relief in Bolivia and Tunisia. The committee notes, however, that relatively little use has been made of the authority to assist refugees conferred by Public Law 962, 84th Congress.

Under the authority of titles II and III of this act vast quantities of surplus food have been made available to needy persons both in the United States and in foreign countries. In the fiscal year 1956 more than 2 billion pounds of food were distributed in this manner—approximately 789 million pounds in the United States and more than 1,287 million pounds in other countries. In the first 9 months of the current fiscal year, donations are running more than 50 percent above 1956.

In the United States, surplus food is distributed chiefly through State agencies and through the school-lunch program. A total of 39 States, Alaska, and Puerto Rico are currently taking part in the

distribution of surplus food to needy persons. In addition, these foods are going to about 12 million schoolchildren and to 1.4 million persons in charitable institutions. The following table shows the number of persons in family units receiving direct distribution of commodities as of March 1, 1957.

Alabama.....	238, 019	New Jersey.....	11, 811
Alaska.....	614	New Mexico.....	42, 315
Arkansas.....	219, 596	New York.....	140, 180
California.....	33, 543	North Dakota.....	10, 075
Colorado.....	11, 323	Ohio.....	31, 434
Connecticut.....	612	Oklahoma.....	253, 509
Illinois.....	76, 228	Pennsylvania.....	611, 380
Indiana.....	33, 428	Puerto Rico.....	314, 953
Iowa.....	83, 730	Rhode Island.....	7, 501
Kansas.....	9, 856	South Carolina.....	200
Kentucky.....	203, 838	South Dakota.....	31, 912
Louisiana.....	177, 654	Tennessee.....	28, 630
Maine.....	35, 092	Texas.....	92, 546
Maryland.....	1, 206	Utah.....	14, 954
Massachusetts.....	4, 437	Vermont.....	3, 886
Michigan.....	192, 852	Virginia.....	35, 816
Minnesota.....	15, 352	West Virginia.....	183, 508
Mississippi.....	257, 869	Wisconsin.....	8, 904
Missouri.....	10, 366	Wyoming.....	7, 285
Nebraska.....	2, 062		
Nevada.....	586		
New Hampshire.....	4, 741	Total.....	3, 443, 803

In foreign countries, surplus foods are distributed primarily through voluntary relief agencies, chiefly of a religious and charitable nature. During the first quarter of this calendar year, foreign food distribution was being made by 23 such agencies in 84 countries.

The following table shows the quantities of surplus foods donated for both domestic and foreign use during the fiscal year 1956 and the first 9 months of fiscal year 1957:

Quantities of surplus foods donated for domestic and foreign use, fiscal year 1956, and estimated July-March, fiscal year 1957

[Million pounds]

Commodity	Domestic										Foreign distribution		Total distribution	
	Schools				Institutions		Needy persons		Total					
	Fiscal year 1956	July-March, fiscal year 1957	Fiscal year 1956	July-March, fiscal year 1957	Fiscal year 1956	July-March, fiscal year 1957	Fiscal year 1956	July-March, fiscal year 1957	Fiscal year 1956	July-March, fiscal year 1957	Fiscal year 1956	July-March, fiscal year 1957	Fiscal year 1956	July-March, fiscal year 1957
Beans, dry.....	24.7	24.6	11.1	4.9	41.4	23.1	77.2	52.6	49.7	24.6	126.9	77.2		
Butter.....	51.1	36.2	30.8	9.4	34.4	12.4	116.3	58.0	98.4	214.7	58.0			
Butter oil.....									199.0		99.0			
Cheese.....	29.0	29.2	15.3	11.7	43.1	59.1	87.4	100.0	138.5	98.8	225.9	198.8		
Corn.....	3.7	5.5	2.1	5.5	2.2		6.0	1.0	78.0	25.2	84.0	26.2		
Corn meal.....		15.9		6.5	50.6	66.8	50.6	89.2		213.9	50.6	303.1		
Eggs, shell.....		30.3		5.9				36.2				36.2		
Flour, wheat.....		40.6		36.1	77.1	104.1	77.1	180.8		370.0	77.1	550.8		
Hamburger, frozen.....		66.0						66.0				66.0		
Lard.....	8.1	16.3	5.0	5.4	23.2	1.4	36.3	23.1			36.3	23.1		
Milk, nonfat dry.....	22.1	21.3	14.6	12.4	49.2	68.9	85.9	102.6	411.2	299.7	497.1	402.3		
Pork, canned and frozen.....	64.9	51.7	16.5		31.4	2.2	112.8	51.9			112.8	51.9		
Rice.....	17.4	18.4	9.4	8.5	23.5	35.1	50.3	62.0	104.0	200.5	154.3	262.5		
Shortening ¹		.1	10.2	(²)	17.5	(³)	47.1	.1	17.0		64.1	.1		
Sweetpotatoes.....	11.1		7.4		2.5	(³)	21.0	(³)			21.0	(³)		
Turkeys, frozen.....		22.7		2.5				25.2				25.2		
Wheat.....	6.7	1.6	6.9	6.4	.3	(³)	13.9	8.0	224.7	55.2	238.6	63.2		
Other ¹	6.5	7.2	.7	5.0			7.2	12.2			7.2	12.2		
Total.....	264.7	382.6	130.0	115.2	394.4	371.1	789.1	868.9	1,220.5	1,287.9	2,009.6	2,156.8		

¹ Butter equivalent of 79.2 million pounds of butter oil.² Special distribution for hurricane disaster relief in Puerto Rico.³ Less than 50,000 pounds.⁴ Includes cottonseed oil.⁵ Includes commodities in limited quantities: cabbage and fresh prunes in fiscal year 1956 and cabbage and fresh plums in fiscal year 1957.

DEPARTMENTAL APPROVAL

Following is the text of the executive communication from the Secretary of Agriculture recommending enactment of this legislation:

DEPARTMENT OF AGRICULTURE,
Washington 25, D. C., February 14, 1957.

The SPEAKER,
House of Representatives.

DEAR MR. SPEAKER: Enclosed is a draft of a proposed bill to extend the authorities under titles I and II of the Agricultural Trade Development and Assistance Act of 1954, as amended (Public Law 480, 83d Cong), and to repeal section 304 of that act.

It is proposed that section 103 (b) be amended to increase the title I authority from \$3 billion to \$4 billion; it is proposed that section 109 be amended to extend the terminal date through which title I transactions can be undertaken from June 30, 1957, to June 30, 1958.

Title I of Public Law 480 authorizes the President to enter into agreements with friendly nations or organizations of friendly nations to provide for the sale of surplus agricultural commodities for foreign currencies. At the present time more than \$2.8 billion of the \$3 billion authority has been committed through formal agreements. Negotiations now in progress and current program planning indicate that the entire \$3 billion will be committed under agreements well before June 30, 1957. It is likely that this will occur as early as February 1957.

Public Law 480 is considered a temporary means of disposal of agricultural surpluses. It has proved to be an effective tool in moving surpluses abroad while other programs are restoring a more balanced situation with respect to farm output and demand. However, sales for foreign currencies and barters are inconsistent with the administration's foreign trade policy and the administration's desire to further the removal of government from business. No action should be taken to incorporate disposal methods of this kind as permanent features of United States foreign trade programs.

The request for an additional \$1 billion and the extension of the terminal date under title I is presented at this time in order to permit orderly programming of agricultural commodities for the fiscal year 1958. The additional amount would provide for new programming at approximately the same annual rate that has been accomplished since the program was initiated in 1954.

In order to permit continuation for another year of the useful activities which have been possible under title II of Public Law 480, it is proposed that section 203 be amended to increase that authority from \$500 million to \$800 million and that section 204 be amended to extend the terminal date for undertaking programs from June 30, 1957, to June 30, 1958. Inasmuch as approximately \$300 million of title II funds has already been committed, this proposal would in effect restore title II to the present amount authorized of \$500 million.

Section 304 of the act requires the President to exercise his authority under Public Law 480 so as to assist friendly nations to be independent of trade with the U. S. S. R. or nations dominated or controlled by the U. S. S. R. and so as not to increase the availability of commodities to unfriendly nations.

It is recommended that section 304 be repealed. This would place us in a position to make offers of barter transactions on a selective basis to the European satellites of the Soviet Union. It would appear that this authority would be of particular advantage in view of recent developments in Eastern Europe. Agreements for sales of commodities for foreign currencies under title I of the act would continue to be limited to friendly countries by provisions of that title.

The Bureau of the Budget advises that there is no objection to the submission of the proposed legislation to the Congress and that enactment of such legislation would be in accord with the program of the President.

A similar letter is being sent to the President of the Senate.

Sincerely yours,

E. T. BENSON, *Secretary.*

A BILL To extend the Agricultural Trade Development and Assistance Act of 1954, and for other purposes

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the Agricultural Trade Development and Assistance Act of 1954, as amended, is amended as follows:

(1) Sections 109 and 204 of such act are amended by striking out "1957" and substituting in lieu thereof "1958".

(2) Section 103 (b) of such act is amended by striking out "\$3,000,000,000" and inserting in lieu thereof "\$4,000,000,000".

(3) Section 203 of such act is amended by striking out "\$500,000,000" and inserting in lieu thereof "\$800,000,000".

(4) Section 304 of such act is deleted.

EXPLANATION

The foregoing amendment would:

(1) extend Title I of the Agricultural Trade Development and Assistance Act of 1954 for one year;

(2) increase the amount authorized to be expended under Title I of such act from \$3,000,000,000 to \$4,000,000,000;

(3) extend Title II of the Act for one year and increase the amount authorized to be expended under that title from \$500,000,000 to \$800,000,000;

(4) delete section 304 which requires the President to use the authority contained in P. L. 480 so as (a) to assist friendly nations to be independent of trade with the U. S. S. R. or nations dominated or controlled by the U. S. S. R. and (b) to assure that agricultural commodities transferred thereunder do not result in increased availability of those or like commodities to unfriendly countries.

CHANGES IN EXISTING LAW

In compliance with clause 3 of rule XIII of the Rules of the House of Representatives, changes in existing law made by the bill are shown as follows (existing law proposed to be omitted is enclosed in black brackets, new matter is printed in italic, and existing law in which no change is proposed is shown in roman):

AGRICULTURAL TRADE DEVELOPMENT AND ASSISTANCE ACT OF 1954
TITLE I—SALES FOR FOREIGN CURRENCY

* * * * *

SEC. 103.

* * * * *

(b) Transactions shall not be carried out under this title which will call for appropriations to reimburse the Commodity Credit Corporation, pursuant to subsection (a) of this section, in amounts in excess of **[\$3,000,000,000.] \$4,000,000,000.** This limitation shall not be apportioned by year or by country, but shall be considered as an objective as well as a limitation, to be reached as rapidly as possible so long as the purposes of this Act can be achieved within the safeguards established.

* * * * *

SEC. 109. No transactions shall be undertaken under authority of this title after June 30, **[1957]** 1958, except as required pursuant to agreements theretofore entered into pursuant to this title.

* * * * *

TITLE II—FAMINE RELIEF AND OTHER ASSISTANCE

* * * * *

SEC. 203. Not more than **[\$500,000,000] \$800,000,000** (including the Corporation's investment in the commodities) shall be expended for all such transfers and for other costs authorized by this title. The President may make such transfers through such agencies including intergovernmental organizations, in such manner, and upon such terms and conditions as he deems appropriate; he shall make use of the facilities of voluntary relief agencies to the extent practicable. Such transfers may include delivery f. o. b. vessels in United States ports and, upon a determination by the President that it is necessary to accomplish the purposes of this title or of section 416 of the Agricultural Act of 1949, as amended, ocean freight charges from United States ports to designated ports of entry abroad may be paid from funds available to carry out this title on commodities transferred pursuant hereto or donated under said section 416. Funds required for ocean freight costs authorized under this title may be transferred by the Commodity Credit Corporation to such other Federal agency as may be designated by the President.

SEC. 204. No programs of assistance shall be undertaken under the authority of this title after June 30, **[1957]** 1958.

* * * * *



AL 12-071

AL 12-071

AL 12-071

AL 12-071

AL 12-071

AL 12-071

AL 12-071

AL 12-071

AL 12-071

AL 12-071

AL 12-071

AL 12-071

AL 12-071

AL 12-071

AL 12-071

AL 12-071

AL 12-071

AL 12-071

AL 12-071

Union Calendar No. 138

85TH CONGRESS
1ST SESSION

H. R. 6974

[Report No. 432]

IN THE HOUSE OF REPRESENTATIVES

APRIL 17, 1957

Mr. COOLEY introduced the following bill; which was referred to the Committee on Agriculture

MAY 9, 1957

Committed to the Committee of the Whole House on the State of the Union and ordered to be printed

A BILL

To extend the Agricultural Trade Development and Assistance Act of 1954, and for other purposes.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*
3 That the Agricultural Trade Development and Assistance
4 Act of 1954, as amended, is amended as follows:

5 (1) Sections 109 and 204 of such Act are amended
6 by striking out "1957" and substituting in lieu thereof
7 "1958".

8 (2) Section 103 (b) of such Act is amended by strik-
9 ing out "\$3,000,000,000" and inserting in lieu thereof "\$4,-
10 000,000,000".

1 (3) Section 203 of such Act is amended by striking out
 2 “\$500,000,000” and inserting in lieu thereof “\$800,000,-
 3 000”.

Union Calendar No. 138

85TH CONGRESS
1ST Session

H. R. 6974

[Report No. 432]

A BILL

To extend the Agricultural Trade Development
and Assistance Act of 1954, and for other
purposes.

By Mr. COOLEY

APRIL 17, 1957

Referred to the Committee on Agriculture

MAY 9, 1957

Committed to the Committee of the Whole House on
the State of the Union and ordered to be printed

Digest of CONGRESSIONAL PROCEEDINGS

OF INTEREST TO THE DEPARTMENT OF AGRICULTURE

OFFICE OF BUDGET AND FINANCE
(For Department Staff Only)

Issued May 24, 1957
For actions of May 23, 1957
85th-1st, No. 87

CONTENTS

Adjournment.....18	Foreign aid.....14,36	Poultry.....32
Appropriations.....3,33	Forestry.....2,23,31	Public Law 480.....1
Atomic energy.....27	General services.....6	Reclamation.....9,34
Awards.....17	Health.....7	Russian farm economy.....8
Budget.....16,22	Housing.....13	Statehood.....5,35
Crop insurance.....4	Information.....28	Surplus disposal.....1
Dairy products.....32	Irrigation.....25	Taxation.....12,26
Distressed areas.....21	Lands.....23,29	Tobacco.....11
Education.....15	Livestock.....32	Trade, foreign.....1,11
Electrification.....12,20	Loans.....2	Transportation.....37
Expenditures.....19,26	Organization.....6	Water.....10,30
Farm program.....24		

HIGHLIGHTS: House Rules Committee cleared bills to extend Public Law 480, and to provide loans to desert-land entrymen. Conferees agreed to file report on third supplemental appropriation bill. House subcommittee ordered reported Alaska Statehood bill. House subcommittee ordered reported bill for stand-by authority for crop reinsurance in Puerto Rico. Rep. Hill introduced and discussed bill to clarify USDA jurisdiction over livestock and meat packing industries.

HOUSE

1. FOREIGN TRADE; SURPLUS DISPOSAL. The Rules committee reported a resolution for consideration of H.R. 6974, to extend the Agricultural Trade Development and Assistance Act of 1954 (Public Law 480) for one year, to increase the authorization under Title I from \$3 billion to \$4 billion, and to authorize \$300 million additional under Title II for famine relief. ~~p. 6781~~
Rep. Laird discussed the success of disposing of surplus commodities under Public Law 480, commended the administration of the program by this Department, and urged that it be extended for one year. pp. 6774-76
2. LOANS; FORESTRY. The Rules Committee reported resolutions for consideration of H.R. 3753, to enable this Department to extend financial assistance to desert-land entrymen to the same extent as such assistance is available to homestead entrymen; and S. 469, to authorize the U.S. to defray the cost of assisting the Klamath Indians to prepare for termination of Federal supervision and to defer sales of tribal property, including timberlands. p. 6781
3. APPROPRIATIONS. Conferees agreed to file a report on H.R. 7221, the third supplemental appropriation bill for 1957. p. D453

4. CROP INSURANCE. A subcommittee of the Agriculture Committee ordered reported to the full Committee H.R. 632, to authorize the FCIC to provide reinsurance on any crop or plantation insurance provided in Puerto Rico by a duly authorized agency of Puerto Rico. p. D451
5. STATEHOOD. A subcommittee of the Interior and Insular Affairs Committee ordered reported with amendment to the full Committee H.R. 50, to provide for the admission of Alaska into the Union. p. D451
6. ORGANIZATION. Rep. McCormack spoke in favor of his bill, H.R. 7964, to constitute the General Services Administration a Department of General Services. p. 6769
7. HEALTH. The Committee on Interstate and Foreign Commerce issued a report on International Health (H. Rept. 474). p. 6781
8. RUSSIAN FARM ECONOMY. In reporting H.R. 7665, the Defense Department appropriation bill for 1958 (see Digest 35), the report of the Appropriations Committee contains additional views of Rep. Whitten discussing his recent trip behind the Iron Curtain, and stating that agriculture is one of the most serious weaknesses in the Soviet economy due to natural limitations resulting for geographic location and climatic conditions, the agricultural system, and the lag in agricultural technology.

SENATE

9. RECLAMATION. Passed without amendment H.R. 2146, to require Congressional approval of small reclamation projects. Rejected Sen. Douglas' amendment to restore the 160-acre limitation (pp. 6718, 6731-43). Ready for President.
10. WATER RESOURCES. Sen. Neuberger inserted his statement before the Appropriations Committees on the need to develop Oregon's water resources. pp. 6718-19
11. TOBACCO; FOREIGN TRADE. Sen. Curtis criticized what he termed misleading propaganda efforts on the part of the Swiss, linking their exports of watches to sales of Md. tobacco. He inserted an article concerning the arrival of a Swiss tobacco representative who is conferring with this Department and Md. tobacco growers. pp. 6719-20
12. ELECTRIFICATION; TAXATION. Sen. Morse inserted the Governor of Oregon's statement on withdrawal from the Pacific Northwest Governor's Power Policy Committee, which the Governor stated was supporting the partnership program. p. 4744
Sen. Morse inserted an article dealing with certain practices of the Idaho Power Co. and criticizing their rapid tax-writeoff. p. 6746
Sen. Morse inserted an article criticizing rapid amortization and urged that the law be repealed. pp. 6746-7
Sen. Morse criticized the rapid tax amortization program and discussed the matter with Sens. Sworshak, Barrett, Douglas, and Lausche. pp. 6723-30
13. HOUSING. Sen. Purtell corrected the Record, pointing out that he had objected to consideration of H.R. 6659, the Housing bill, when the calendar was called Wed. (pp. 6681). Later in the day this was made the pending business (p. 6743).
In reporting H.R. 6659, the proposed Housing Act of 1957 (see Digest No. 84), the report of the Banking and Currency Committee contains the following statements:

CONSIDERATION OF H. R. 6974

MAY 23, 1957.—Referred to the House Calendar and ordered to be printed

Mr. O'NEILL, from the Committee on Rules, submitted the following

R E P O R T

[To accompany H. Res. 264]

The Committee on Rules, having had under consideration House Resolution 264, reports the same to the House with the recommendation that the resolution do pass.

()

H. RES. 264

[Report No. 476]

IN THE HOUSE OF REPRESENTATIVES

MAY 23, 1957

Mr. O'NEILL, from the Committee on Rules, reported the following resolution ;
which was referred to the House Calendar and ordered to be printed

RESOLUTION

1 *Resolved*, That upon the adoption of this resolution it
2 shall be in order to move that the House resolve itself into
3 the Committee of the Whole House on the State of the Union
4 for the consideration of the bill (H. R. 6974) to extend the
5 Agricultural Trade Development and Assistance Act of 1954,
6 and for other purposes. After general debate, which shall
7 be confined to the bill and continue not to exceed two hours,
8 to be equally divided and controlled by the chairman and
9 ranking minority member of the Committee on Agriculture,
10 the bill shall be read for amendment under the five-minute
11 rule. At the conclusion of the consideration of the bill for
12 amendment, the Committee shall rise and report the bill to
13 the House with such amendments as may have been adopted,

1 and the previous question shall be considered as ordered on
2 the bill and amendments thereto to final passage without
3 intervening motion except one motion to recommit.

House Calendar No. 67

85TH CONGRESS
1ST SESSION

H. RES. 264

[Report No. 476]

RESOLUTION

Providing for the consideration of H. R. 6974,
a bill to extend the Agricultural Trade De-
velopment and Assistance Act of 1954, and
for other purposes.

By Mr. O'NEILL

MAY 23, 1957

Referred to the House Calendar and ordered to be
printed

the lines of your proposal to restore to individuals and corporations, the incentives which have largely disappeared under present tax laws. (J. F. W., April 19, 1957, Cincinnati, Ohio.)

It sounds very reasonable and practical. (R. A. M., April 12, 1957, Stafford Springs, Conn.)

We are watching this bill with keen interest. (F. B. G., April 12, 1957, Meriden, Conn.)

A decisive step in the right direction to relieve unreasonable and pyramiding taxes prevalent for so long. (E. E. S., April 17, 1957, Glen Falls, N. Y.)

It is the work of a statesman and will relieve the present unbearable heavy tax load. (R. S. L., April 19, 1957, Louisville, Ky.)

The sooner you can get that bill passed both in the House and the Senate, everybody will be pleased. (J. O. K., April 12, 1957, New Haven, Conn.)

Sincere gratitude for your aggressive efforts to cut the total tax bill, which certainly is a "must." (M. D. C., April 19, 1957, Westbury, N. Y.)

Fine job you have done on this bill and assure you of my respect and confidence. (D. W. P., April 12, 1957, Plymouth, Conn.)

This is something we have needed for some time . . . best wishes for the successful passage of this bill. (B. G. B., April 12, 1957, South Norwalk, Conn.)

In my opinion, it illustrates some very clear thinking on a subject which is of national importance and offers a solution both to the taxpayers of this country and to the departments of Government. (A. A. L., April 12, 1957, Middletown, Conn.)

I hope that you will be able to arrive at a constructive, concrete, legislative result along the lines that you have suggested in H. R. 6452. (W. R. H., April 22, 1957, New York, N. Y.)

I commend you upon the practicality of your approach to this problem of creeping confiscation and upon the boldness and clarity of your presentation. (J. W. H., April 23, 1957, Wallingford, Pa.)

Tax reform of this kind is long overdue and I wish you success in your efforts. (L. T., April 24, 1957, Hagerstown, Ind.)

The proposed legislation ties together two problems—increasing expenditures by the Government with inflationary results, and the current tax structure which prevents small-business men, professional people and others from acquiring and providing the risk capital needed by our expanding economy—and provides a realistic solution. (L. G. P., April 19, 1957, Schenectady, N. Y.)

I hope your bill will pass so that I might be in better shape to look after some of my bills. (S. L., April 13, 1957, New Britain, Conn.)

Believe your H. R. 6452 bill has many beneficial features to business and individuals. Hope you are successful in securing its passage. (O. B. H., May 1, 1957, Seattle, Wash.)

Would lay down a firm commitment on the Congress to keep its word to the American people that it intends to lighten the almost unbearable load that is being added year by year until now, the saturation point is practically here. (J. J. B., April 13, 1957, Milford, Conn.)

It strikes me as being a very sound piece of legislation and is also most timely. (E. D. W., April 24, 1957, New Orleans, La.)

This is "must" legislation to encourage the availability of risk capital for the continued advance of our standard of living. (C. N. F., April 19, 1957, Stafford Springs, Conn.)

Keep up the good work. (T. M. M., April 17, 1957, El Dorado, Ark.)

I sincerely hope your bill will receive the support it deserves. (W. E. S., April 24, 1957, Hendersonville, N. C.)

A sane and reasonable approach to the solution of a problem which is becoming extremely serious. (H. R. W., April 17, 1957, Scotia, N. Y.)

Your bill . . . serves as a much-needed damper on Federal spending. (D. A. S., April 27, 1957, Erie, Pa.)

I heartily approve of your actions and congratulate you for your stand on such an important issue. (C. R., April 19, 1957, West Hartford, Conn.)

It travels so effectively in the direction that we think Government tax policy should take that it will have our wholehearted support. (W. J. G., April 23, 1957, Milwaukee, Wis.)

This is most assuredly a step in the right direction and I wish you every possible success in your undertaking. (E. C. B., April 17, 1957, Houston, Tex.)

I feel that the Sadlak bill goes a long way toward remedying the gross inequities in our tax system. (R. H. W., April 19, 1957, Wilton, Conn.)

I have written to my Representative . . . expressing my opinion that your bill should be given his unqualified support. (A. C. B., April 29, 1957, Hickory, N. C.)

It appears to me as though the people are fed up with the confiscatory and punitive taxes now in effect and I see no reason why your bill should not pass both Houses with a substantial majority. (G. D. M., April 29, 1957, Duncan, Okla.)

I think that your general plan for a 5-year schedule of tax reduction is well thought out. . . . I think it is a definite step in the right direction, and I would like to give my wholehearted support to a bill of this kind. (E. G. C., May 1, 1957, Westerly, R. I.)

It is good to see your alertness to this income-tax burden, which has become a malignant growth on the economy of our Nation. (C. E. V., April 18, 1957, New Haven, Conn.)

We think this is one of the best bills that has been introduced so far for the reduction of taxes that will be beneficial to all of the people of our country. (D. T. J., April 18, 1957, Birmingham, Ala.)

Sincere congratulations for your forthright, courageous, and timely stand on tax reduction. I join with the many people over the Nation in wishing, and hoping, and working for the complete success of your program. (W. M. D., April 18, 1957, Schenectady, N. Y.)

This bill has the overwhelming support of all citizens who have any knowledge of it. (K. A., May 8, 1957, Denver, Colo.)

I congratulate you on this very sensible piece of legislation. (H. M. T., April 23, 1957, Atlanta, Ga.)

The bill shows that careful research has been done before it was submitted, and I am sure you will find wide public support for it. (E. B. C., April 24, 1957, Hartford, Conn.)

Allow me to applaud most heartily your introduction of H. R. 6452. (H. P. B., April 23, 1957, Louisville, Ky.)

My sincere commendation and appreciation for the real contribution which you are endeavoring to make to the people of America. (G. G. K., April 19, 1957, Baltimore, Md.)

Congratulations on . . . H. R. 6452 leaving more tax dollars for personal choice in spending, also leaving a few extra dollars for risk taking in high income groups. (R. S. B., April 30, 1957, Salt Lake City, Utah.)

Meritorious and deserves the benefit of scheduled public hearings. (W. J. B., April 16, 1957, Bristol, Conn.)

May your courageous approach in this area stimulate the thinking and action of all your colleagues toward the reduction of high taxes. (R. R. P., April 19, 1957, Timonium, Md.)

I agree very much with your point concerning the risk-taking factor and the factor on accumulation of new capital. (W. W. N., April 18, 1957, Cleveland Heights, Ohio.)

Bravo. . . . Your proposal in H. R. 6452 is one of the most outstanding pieces of progressive future thinking legislation I have seen in quite some time. (W. E. W., April 18, 1957, Bridgeport, Conn.)

Workable and it makes sense. It has neither too much nor too little. (J. H. A., April 18, 1957, South Bend, Ind.)

I am very much interested. . . . Would you be kind enough to send me 100 copies. (J. M. H., May 13, 1957, Charleston, S. C.)

I hope and urge that you leave no stone unturned to obtain passage of this legislation. (K. D. S., April 17, 1957, East Cleveland, Ohio.)

I believe there is a compelling need for legislation of this type to relieve the strangling effect of the present heavy tax burden upon our entire economy. (C. H. H., April 16, 1957, Liverpool, N. Y.)

H. R. 6452 would be good for individual citizens, good for business, and those business serves, good for the security of our Nation, and thus good for the many across the whole country. (E. E. B., April 18, 1957, Wynnewood, Pa.)

Commonsense approach to a tax reduction program. (L. H. M., April 18, 1957, South Bend, Ind.)

I have attached for your information and encouragement a copy of the letter I sent to my own Congressman urging the adoption of your bill. (F. J. W., April 16, 1957, Schenectady, N. Y.)

I would like you to know that the thoughts expressed in your speech give me considerable encouragement and hope that efforts such as yours may result in a more realistic Federal tax system. (H. J. C., April 17, 1957, Ipswich, N. H.)

In our opinion your bill would be greatly beneficial to the country's economy. (J. P. H., April 22, 1957, Niles, Ohio.)

My friends and I are very much interested in . . . H. R. 6452. (J. L. A., April 24, 1957, Chicago, Ill.)

Of vital importance to every citizen and the Nation as a whole. (K. G. A., April 17, 1957, Scotia, N. Y.)

It is certainly most refreshing to note a carefully considered appraisal of our important Federal tax policies, together with what I am convinced are sound proposals that would lead to their significant improvement. (C. S. L., April 23, 1957, Norwalk, Conn.)

We believe your bill would benefit all earners in all income tax brackets. (D. O. D., April 23, 1957, Waynesboro, Va.)

Most encouraging development in the entire field of Federal tax legislation . . . will have wide public support. (C. R. O., April 23, 1957, New York, N. Y.)

I heartily approve of your bill to reduce the percentage brackets in the income tax system. I wish you all possible success. (R. C. W., April 22, 1957, Cleveland, Ohio.)

I congratulate you on the fine bill . . . you have presented. I wish you every success. (J. T. W., April 23, 1957, New Haven, Conn.)

My congratulations to you for an unusually well balanced approach to the problem. (C. S. H., April 18, 1957, Alplaus, N. Y.)

H. R. 6452 should receive favorable action. May I congratulate you on this practical and intelligent approach. . . . Thank you for your efforts in behalf of the taxpayer. (J. H. M., April 22, 1957, Knoxville, Tenn.)

One of the most important bills introduced in Congress. (A. S. R., April 23, 1957, New Haven, Conn.)

Your proposals are most enlightening. . . . I want to commend you for your courageous and forward-look attitude. (G. R. F., April 23, 1957, New York, N. Y.)

It is worthy of the support of your fellow Congressmen, both Republican and Democrats, and hope it will be enacted into law. (F. G. R., April 23, 1957, Jacksonville, Fla.)

The bill you have designed holds promise. (J. B. C., April 22, 1957, Birmingham, Ala.)

We are certainly interested . . . and you are to be commended for your action. (J. M. D., April 22, 1957, Boise, Idaho.)

In the public interest promptly to schedule public hearings on H. R. 6452. The proposed bill certainly embodies some very constructive thinking as well as an ingenious approach to curb irresponsible spending. (R. K., April 23, 1957, Springdale, Conn.)

I sincerely hope your recommendations will be given serious and favorable consideration by all who have responsibility for framing legislation affecting the bright future we're aspiring to. (H. N. S., April 23, 1957, New Lebanon Center, N. Y.)

Your efforts * * * are very much appreciated. (V. L. C., April 22, 1957, Portland, Oreg.)

My congratulations for your courage and statesmanship when you introduced your bill, H. R. 6452. * * * I assure you it is most encouraging to see the grasp of this situation you have. (N. W. R., April 18, 1957, Roanoke, Va.)

A sound approach in curbing the present inflationary rise and trend of Government spending. (H. A. O., April 23, 1957, Stratford, Conn.)

Congratulations to you on this fine piece of legislation. (H. J. M., April 22, 1957, Brooklyn, N. Y.)

You are deserving of congratulations and high praise for the introduction of such a sound and equitable tax bill as H. R. 6452. (F. W. D., April 18, 1957, Grand Rapids, Mich.)

I think you have approached the matter of tax reduction along well-conceived lines, and I feel that it is a reasonable and practical solution. (H. B. D., April 19, 1957, Nashville, Tenn.)

My congratulations to you on your clear thinking and action which is designed to benefit all Americans and relieve all taxpayers. (A. N. W., April 17, 1957, St. Louis, Mo.)

Congratulations for the ingenuity shown by you in the drafting of tax reduction bill H. R. 6452. (C. S. S., April 23, 1957, Jacksonville, Fla.)

I think you would * * * be interested in a song introduced last week at the Kiwanis Club. The words are attached hereto. The melody is that of the Whiffenpoof song.

"We're taxpayers all
Let's face the facts—
Tax, tax, tax
For dear Uncle Sam
We break our backs—
Tax, tax, tax
Men of Kiwanis, all are we,
Taxed from here to eternity,
God have mercy on such as we,
Tax, tax, tax."

(J. H. I., April 22, 1957, New Haven, Conn.)

We are all for you and we think your proposal is very timely and I know that there are many people that I have talked to that feel the same way about these reductions that you do. Please keep up the good work. (F. T. S., April 24, 1957, Roanoke, Va.)

Sincerely believe this to be one of the most constructive pieces of tax legislation introduced in many years. (P. H. H., April 23, 1957, Birmingham, Ala.)

It is seldom that I find myself in such complete agreement with the views of someone else. I am sure that your proposed tax reductions would be a boon to all Americans. (J. R. M., April 16, 1957, Fairfield, Conn.)

Bill is fundamentally sound and good for the country. (J. N. P., April 19, 1957, New Hartford, N. Y.)

Sound forward thinking and the needed deterrent to increasing Federal spending. (F. E. H., April 17, 1957, Teaneck, N. J.)

The time is long overdue for some relief for the American taxpayer and your bill is so drawn that it does give relief to all groups. (A. E. L., April 16, 1957, Hartford, Conn.)

Your bill, I am sure, can ultimately bring about a balanced budget, and fair and equitable taxation program for individual incomes. (M. J. D., April 18, 1957, Ossining, N. Y.)

My gratitude for your splendid efforts * * * your tax relief bill H. R. 6452 is ex-

ceptionally good. (W. J. M., April 16, 1957, Schenectady, N. Y.)

My hat is off to you on your bill, H. R. 6452. It is the most sensible approach I have seen of reducing taxes which are so oppressive to everyone. (H. H. C., April 16, 1957, Hartford, Conn.)

Best of luck to you in success with your tax-relief bill, H. R. 6452. (J. R. P., April 17, 1957, Chappaqua, N. Y.)

I am heartened by your tax-relief bill, H. R. 6452. (C. W. L., April 17, 1957, New York, N. Y.)

It is a sensible, workable and necessary piece of legislation. (C. L. E., April 18, 1957, Waterbury, Conn.)

Very much pleased with your action and with the principal features of this bill. (L. L. F., April 18, 1957, Larchmont, N. Y.)

AGRICULTURAL EXPORTS UNDER PUBLIC LAW 480

The SPEAKER. Under previous order of the House, the gentleman from Wisconsin [Mr. LAIRD] is recognized for 20 minutes.

Mr. LAIRD. Mr. Speaker, Public Law 480, the Agricultural Trade Development and Assistance Act of 1954, was enacted by the 83d Republican Congress in July of 1954 with strong bipartisan support. The bill which was aimed at putting our mounting agricultural surpluses to constructive use abroad had four major purposes:

First. It authorized the sale of commodities to friendly countries for their own currencies. This enabled us to open up markets in many countries of the world, particularly underdeveloped nations, which desired to buy our commodities but which were short of the necessary foreign exchange.

Second. It authorized the use of Commodity Credit Corporation surpluses in meeting emergency relief needs abroad such as the victims of floods or earthquakes.

Third. It encouraged and expanded the barter program under which surpluses are exchanged for strategic materials. In other words, it provided for the exchange of farm surpluses for foreign-produced critical materials which would be useful in the event of international emergency.

Fourth. It encouraged the use of surpluses by American private relief and church agencies to help feed needy persons abroad on a continuing basis.

OVERALL RESULTS OF TITLE I, PUBLIC LAW 480

Operations under the law have grown rapidly in volume. Agreements were signed during the first year the law was effective, 1954-55, totaling \$488 million at CCC cost and \$362 million at export market value. In 1955-56, new agreements were signed in the amount of \$1 billion at CCC cost and \$686 million at export value. To date this year, additional agreements negotiated total \$1.4 billion at CCC cost and \$939 million at export market value. Thus, in 9 months of 1956-57 new agreements were concluded almost as large in total as in the previous 2 years.

Included in agreements signed to date are: Wheat, 430 million bushels; feed grains, 75 million bushels; rice, 22 million hundredweight; tobacco, 145 million pounds; cotton, 2.5 million bales; fats and oils, 1.6 billion pounds.

I think it would be useful to clarify one point—that is, the difference between CCC costs and export-market value. As you know, the fund limitation in the law is in terms of CCC costs. This means that the authorization is charged the full cost of any commodities supplied under the program. Such costs include the cost of acquisition and carrying charges of price-support commodities, processing, transportation, and handling charges. Thus, during 1955-56 a bushel of wheat delivered to port resulted in an average charge of about \$3.30 to the authorization. The foreign buyer paid about \$1.65 a bushel which was the prevailing export price and this was the amount he was required to pay in his own currency. In general, to date the authorization has been charged \$3 for every \$2 worth of commodities purchased by foreign buyers.

Looking at results another way, exports in 1954-55 were small totaling about \$73 million at export value or about 2 percent of total agricultural exports. In 1955-56 title I shipments jumped to \$435 million which was 12 percent of agricultural exports. In the first 8 months of 1956-57, title I exports averaged about \$60 million monthly, 16 percent of our farm exports. And this rate should hold for the balance of the year. This is solid evidence of the contribution the title I program has made and is continuing to make to the booming export outlook.

The current \$3 billion authorization is virtually exhausted at the present time. Agreements have been signed for almost \$2.9 billion at CCC cost and the small balance will be used in a very short time. That is why action should be taken promptly on the administration's request for additional funds. I understand that hundreds of millions in new requests have been received which cannot be considered until new funds are made available.

TOTAL UNITED STATES AGRICULTURAL EXPORTS AND TITLE I OF PUBLIC LAW 480

I am sure all of us heartened by the progress which has been made in expanding agricultural exports. These exports have increased in value from about \$2.8 billion in 1952-53 to \$3.5 billion in 1955-56. On a volume basis, the increase was even more impressive. Last year's exports were the highest in quantity for the last 30 years.

The gain in exports is proceeding at an accelerated rate during the current season. For the first 8 months of 1956-57, overseas shipments totaled about \$3.2 billion in value. This is 50 percent higher than the export total on the same date last year. It appears that for the entire 1956-57 season our agricultural exports could total as much as \$4.5 billion. The attainment of such a level would mean new all-time highs in both value and volume, far above previous records.

The improved export outlook results from many factors including a stepped-up program to dispose of price support stocks and more competitive export pricing policies, particularly for cotton, greater needs abroad because of poor crop conditions, some forward buying

abroad because of the uncertainty resulting from the situation in Suez and behind the Iron Curtain, and the effects of special surplus disposal programs especially those undertaken under title I of Public Law 480.

Very briefly, it appears that the title I program has had the following major commodity effects:

First. The program is largely responsible for the commitment of the rice surplus accumulated from the 1953, 1954, and 1955 crops and a part of the potential surplus from the current crop—this has materially strengthened marketing conditions for rice producers during the current season.

Second. Title I has made a major contribution to a tremendous expansion in wheat and wheat flour exports during the current season which could total as much as 450 million bushels. This would make possible a reduction in surplus wheat stocks of about 50 million bushels, the first reduction in carryover in 5 years.

Third. Exports of nearly 600 million pounds of cottonseed and soybean oil moved under the foreign-currency program during 1955-56, which helped to raise our total exports of vegetable oils to a new record level—this was the major factor in maintaining firm soybean prices to producers last year and it kept soybeans and cottonseed out of CCC hands under the support program.

Fourth. Title I exports of over 100 million pounds of lard made in 1955-56 have been of material help along with other actions taken by the Department of Agriculture in the present strength in hog prices.

Fifth. Public Law 480 exports of 71 million pounds of tobacco last year represented about three-fifths of the increase in tobacco exports as compared with the previous year and helped push exports to the highest level in 10 years.

Sixth. Title I programs were responsible for the movement of over 20 percent of total cotton exports last year despite the fact that prices were not competitive most of the year and the movement of as much as 1½ million bales of cotton this season which will help swell cotton exports to the highest level in 23 years.

TITLE I, PUBLIC LAW 480 COMMODITY HIGHLIGHTS DAIRY PRODUCTS

Dairy products sales for foreign currency under title I of Public Law 480, are helping us keep the commodities (butter, cheese, nonfat dried milk) under the price-support program down to a current basis. Out of 800 million pounds of nonfat dried milk, over 15 million pounds are disposed of under title I, Public Law 480. India is expected to import about 10 million pounds of this 800 million pounds. Twenty to twenty-five million pounds out of 150 million pounds of butter will be disposed of under this program. It is expected that about 5 million pounds of cheese will be taken under title I during the next fiscal year. During the program to date the major countries involved in programming the cheese have been Israel, Greece, and Korea. USDA is now able to take care of the surpluses on a seasonal basis so that it

can dispose of everything acquired by CCC under the price-support program.

RICE

The story on rice must certainly be most welcome to rice producers. At the beginning of the current year about 22 million bags on a milled rice basis were in CCC inventory or under loan. By June 30, CCC stocks should be cut in half. This huge reduction in surpluses will result from a record export year of about 25 million bags. And about two-thirds of these exports are being made under title I programs with India, Korea, Pakistan, and Indonesia. Thus, in the space of 12 months expanded export disposals largely stimulated by Public Law 480 are resulting in the liquidation of the rice surplus accumulated from the 1953, 1954, and 1955 crops and a substantial part of the potential surplus from the current crop. Rice producers are benefiting from improved marketing conditions for the current crop and 1957 marketings will not be depressed by the weight of heavy surpluses.

WHEAT

The surplus holdings of wheat have grown larger each year since 1952-53. But in 1956-57 for the first time in 5 years the surplus should be reduced by about 50 million bushels.

The reversal in surplus accumulations is due almost entirely to expanded exports which have risen from 220 million bushels in 1953-54 to 344 million last year. The Department of Agriculture some time ago estimated wheat and flour exports for the current season at a minimum of 415 million bushels. Now it appears that exports should reach 450 million bushels.

A large share of the credit for this gratifying outlook must go to Public Law 480 and particularly to title I. Exports for foreign currency have increased from 24 million bushels in 1954-55 to 93 million bushels last year and are expected to equal or exceed 150 million bushels this year. Much of these shipments are going to countries like India which is finding it possible to expand consumption of wheat as the result of their ability to make purchases in their own currency.

The possibility of a cut in the surplus wheat stockpile is even brighter for 1957-58. With prospects good for continued high-level exports and a substantial reduction in wheat production because of the soil-bank program, the reduction in the wheat carryover at the end of next season should be much larger than the 50 million bushels in sight this year.

COTTONSEED AND SOYBEAN OIL

The programming and shipment of cottonseed and soybean oil under title I in 1955-56 was the key factor in keeping cottonseed and soybeans out of CCC hands. These activities have added millions of dollars to the incomes of soybean and cottonseed producers. Nearly 600 million pounds of these oils were shipped abroad under the foreign currency program last year and this helped push edible oil exports to a record level of almost 1.2 billion pounds, about 55 percent higher than the previous record level. The large exports of oils together

with record exports of soybeans kept soybeans and cottonseed above support levels last year. Despite the fact that farmers placed about 30 million bushels of soybeans under price support in 1955-56, only a few thousand bushels were taken over by CCC and these were sold easily.

The record 1956 harvest of 456 million bushels of soybeans, almost 84 million bushels higher than last year's level, made marketing conditions look dark last fall. But again title I has proved of great help. For the entire season, combined exports of cottonseed and soybean oil should approximate last season's record with the continued strong help of Public Law 480.

LARD

Lard exports which totaled about 625 million pounds in 1955-56 have done much to ease the pressure on the livestock industry. Public Law 480 title I shipments accounted for 100 million pounds of this total. This was of material assistance in reaching this export total. It is expected that lard exports under the foreign currency program will be at the same level this year. These exports helped to bolster lard prices during the last few months which in turn contributed to the improvement in prices that hog producers have been experiencing.

TOBACCO

Tobacco exports last year of about 580 million pounds were the highest in 10 years and about 115 million pounds more than in 1954-55. About three-fifths of this increase over the previous year resulted from exports financed under the title I program. The program helped to increase stocks in a number of countries, such as the United Kingdom. It also opened up a new postwar market for tobacco in Korea. The usual marketing requirements under the program have been an important factor in helping increase dollar sales, which accounted for 88 percent of our total tobacco exports in 1955-56.

This year tobacco exports, although expected to be high, may be down to 500 million pounds. The decrease will result from greater competition from other exporting countries, and foreign-buyer resistance to price rises in stronger flavored tobacco and to those varieties of flue-cured tobacco produced last year, which lack flavor and aroma. The title I program will help to prevent a further decline in exports by moving about 55 million pounds of tobacco abroad this year.

COTTON

The big news in cotton is without doubt that American cotton is fully competitive in world markets. This has been the outstanding factor in prospects for exports of at least 7 million bales this year, more than triple last year's low level. Additional factors were rising consumption abroad and a desire to add to low inventories. This sharp change in export outlook means that for the first time in 6 years instead of adding to the existing surplus, carryover stocks should be reduced by more than 2 million bales.

But title I helped to move cotton last season, and the large programs negotiated last year are helping considerably with the strong export movement this year.

In 1955-56 we exported only 2.2 million bales of cotton. This was primarily because our prices were not competitive in world markets during most of the season. But title I helped to keep exports from going lower. Such foreign currency shipments were responsible for about 22 percent of last year's exports. And it is interesting to note that countries with which there were title I cotton programs last season took 99 percent as much cotton as they did the season before, whereas non-Public Law 480 countries took only 40 percent as much cotton in 1955-56 as the year before.

Japan is an outstanding example. We exported 833,000 bales to that country for dollars and yen in 1955-56 which was almost 30 percent higher than exports in the previous year. The United Kingdom, on the other hand, with which there was no program reduced their takings from us by 64 percent.

I repeat that this year, the major reason exports are zooming is because of competitive pricing and so far 7 million bales have been sold for export by CCC. But the fact that title I agreements were outstanding on August 1, 1956 for the movement of about 1.2 million bales of cotton gave considerable strength to the market. Traders could buy with confidence that in addition to improved dollar markets mainly in Europe, cotton purchased could be moved in large volume to title I countries which in most cases are short of foreign exchange. This year it appears that exports under the title I program may be as high as 1½ million bales. And much of this is going to countries like India, Spain, Indonesia, Burma, and Pakistan whose purchases of cotton from us would otherwise be severely limited because of foreign exchange difficulties.

HOW TITLE I, PUBLIC LAW 480 FOREIGN CURRENCIES ARE USED

Commodities are sold under title I of Public Law 480 for foreign currencies. The \$3 billion current authorization will result in payments of approximately \$2 billion. The \$1 billion difference reflects the cost of commodities to the Government under the price support program and the lower world market prices at which commodities are sold for foreign currency.

In round figures, about one-fourth of the \$2 billion total will be used to meet United States expenses abroad. This use will return dollars to the Commodity Credit Corporation. Examples of such use are the construction of United States military bases in Spain and Turkey, and the construction of housing for United States military personnel and their dependents in the United Kingdom. About one-tenth will be given to our allies to strengthen their military forces. These funds are being used in the same way as foreign aid defense support funds, and certainly they cut down on the amount of foreign aid dollars that would otherwise have to be appropriated for this purpose.

About 6 percent of the \$2 billion will be used for a variety of purposes includ-

ing the purchase of strategic materials for the United States national stockpile; the purchase of goods for other friendly countries; grants for economic development; the international educational exchange program; translation and publication of books and other literature; and for help to American colleges abroad.

Somewhat less than 2 percent of the total will be used by the Department of Agriculture to develop longer-time commercial markets for agricultural commodities abroad. This program clearly supplements the regular market development work carried on by the Department. These activities are conducted in cooperation with United States trade associations and they give promise of helping boost commercial exports long after the Public Law 480 program has ended.

The largest part of the currency, over half the total, will be loaned to participating countries for economic development. There is no question that these loans help to reduce the amount that the Congress would otherwise have to appropriate for the foreign-aid program. And certainly it makes sense to use our surpluses as capital to help in the development of other friendly countries. As their economies expand, they will be better commercial customers for our farm products.

I would like to point out that many people have referred to title I as a giveaway program. This is not true. Many of the countries receiving loans of foreign currency under title I are also receiving loans, primarily for the import of American industrial materials, from either the Export-Import Bank or the World Bank. If Public Law 480 loans are not regarded as a sound investment, then none of the loans made directly or indirectly with United States funds are a sound investment to these countries. Furthermore, it should be pointed out that the loans are to be repaid, and as repayments take place, they may be used to meet the dollar expenses of the United States in the participating countries.

WHY THE TITLE I, PUBLIC LAW 480 EXTENSION SHOULD BE LIMITED TO 1 YEAR AND \$1 BILLION

The Department of Agriculture has requested a 1-year extension in the time in which new agreements may be negotiated under title I of Public Law 480, and an increase of \$1 billion in title I funds.

There is general agreement that this disposal program has worked effectively. However, some have suggested that the program should be extended for 2 or 3 years and the funds increased by \$2 or \$3 billion, rather than the limited extension and addition proposed by the Department of Agriculture.

I believe we should support the recommendations of the Department of Agriculture for the following reasons:

First, an additional \$1 billion will permit the same or a larger rate of shipments in 1957-58 as during the current year. This year title I shipments will be about \$700 million. Of the agreements already signed, a balance will remain for shipment in fiscal year 1958 of about \$400 million. The additional \$1 billion will result in new programs totaling about

\$650 million at export value. About two-thirds of this amount should be shipped in fiscal year 1958. So it is evident that actual shipments next year will be at least as large as this year.

Second, the rate of new programming at a \$1 billion annual rate compared favorably with the rate of new agreements signed in the past. Some have assumed that the Department of Agriculture's request represents a decrease in the rate of new agreements, since about \$1.4 billion in new agreements have been negotiated since last July 1. We should keep in mind that of this total about \$500 million represents second- and third-year portions of the 3-year agreements with India and Brazil. Thus, the \$1 billion request compares favorably with the programming done during the current year if the fiscal year 1957 and 1958 parts of 3-year agreements are excluded.

Third, a 1-year extension assures that the Congress will take another look at this law during the next session of Congress to decide if it should be extended further or altered. After all, our major aim is to sell our agricultural products for dollars. Public Law 480 was passed as a temporary measure to help move the accumulated surplus into channels which did not have dollars to pay us. We are making progress in whittling down the surplus. I think it is healthful for us to have a periodic review of the progress made in surplus disposal. During this review we can also take a close look at the way in which the disposal tools are being used, and whether any changes should be made.

And fourth, and this is entirely a personal reason, I am happy to support request for an authorization from an agency which says do not give us more money than we request. It is refreshing and most unusual. The people in the Department of Agriculture know this program. If they thought they should use more funds effectively, I am sure they would have asked for more. They have done a good job—let us go along with their recommendation.

THE HUN SCHOOL CREW OF PRINCETON, N. J., COMES TO TOWN

(Mr. SIEMINSKI asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. SIEMINSKI. Mr. Speaker, in a few days, on Saturday, the 25th of May, many crews of the Schoolboy Rowing Association of America will compete for the national championship in the 23d annual 8-oar rowing classic here on the Potomac.

One of the crews coming to Washington is the Hun School Crew of Princeton, N. J. They will be my guests, and I deem it an honor to have them as my guests, for lunch tomorrow in the Speakers' Dining Room. I attended the Hun School of Princeton.

It was my honor, my privilege, and my pleasure, Mr. Speaker, on May 25, 1929, 28 years ago, to stroke the Hun School crew to victory in the American Henley Regatta to win the Franklin Challenge Cup on the Schuylkill River in Philadelphia. Mrs. Stotesbury, that great

June 3, 1957

17. LEGISLATIVE PROGRAM. Sen. Mansfield announced the clearance of certain bills to be taken up on Wed. or soon thereafter (pp. 7351-2). Among them were the following: S. 1791, to extend the Reorganization Act until 1961; S. 1536, to transfer to the National Archives any records not in current use over 50 years old; and S. 434, to provide for stating budget and other appropriation estimates on an accrued expenditures basis.

18. ADJOURNED until Wed., June 5. p. 7352

HOUSE

19. FOREIGN TRADE; SURPLUS DISPOSAL. Began debate on H.R. 6974, to extend the Agricultural Trade Development and Assistance Act of 1954 (Public Law 480) for one year, to increase the authorization under Title I from \$3 billion to \$4 billion, and to authorize \$300 million additional under Title II for famine relief. pp. 7364-76

20. TOBACCO; CROP INSURANCE. Passed without amendment H.R. 7259, to modify the relation of price supports on burley and Virginia tobacco, and H.R. 632, to authorize the FCIC to provide reinsurance on any crop or plantation insurance provided in Puerto Rico by a duly authorized agency of Puerto Rico. p. 7360

21. FARM PROGRAM. Rep. Hill commended the Secretary's statement of May 16, 1957, before the House Agriculture Committee relative to a long-range farm program, and inserted the text of the statement. pp. 7380-83

Rep. Poage criticized the position of this Department on the cotton program, as well as a recent magazine editorial, "The Royal Nonesuch," relating to the cotton situation, and stated that the Department "either does not know or does not care much about cotton or cotton producers." pp. 7377-8

22. ELECTRIFICATION. Rep. Marshall criticized proposals to raise the interest rates on REA loans, and stated that if such rates were raised to 3½ percent it would make many of the existing and proposed projects of the rural electrification and rural telephone cooperatives infeasible. pp. 7378-79

Rep. Green inserted an Ore. Legislature memorial requesting the President to reconsider and to deny or substantially reduce the fast tax writeoff granted to the Idaho Power Co. for construction of dams on the Snake River. pp. 7376-77

23. FLOOD CONTROL. Rep. Edmondson urged the passage of flood disaster measures for the relief of flood victims, particularly farmers, in the Southwest. p. 7355

24. WOOL TEXTILES. Rep. Rogers urged restrictions on the importation of woolen textiles. p. 7355

25. MEATS. Passed over, at the request of Rep. Weaver, H.R. 7244, to amend the Packers and Stockyards Act of 1921 so as to permit deductions for a self-help meat-promotion program. pp. 7358-59

26. FORESTRY. Passed over, at the request of Rep. Cunningham, S. 469, to authorize the U.S. to defray the cost of assisting the Klamath Indians to prepare for termination of Federal supervision and to defer sales of tribal property, including timberlands. p. 7356

Both Houses received from Interior a proposed bill to provide for the leasing of oil and gas deposits in lands beneath inland navigable waters in Alaska; to Interior and Insular Affairs Committees. pp. 7233, 7394

A subcommittee of the Interior and Insular Affairs Committee ordered reported H.R. 7522, to authorize the extension of rights to certain individuals to remove timber from national forest lands. p. D480

Received a Tex. Legislature memorial proposing an amendment to the Constitution granting the power to the several States the right to conserve and regulate the exploration, production, and distribution of their petroleum products, water, sulfur, and all other minerals and natural resources. p. 7396

27. FOREIGN TRADE. Rep. Bailey criticized the Departments of State and Commerce for submitting unfavorable reports on proposed legislation to authorize the Tariff Commission to establish import quotas and to adjust import duties under certain conditions when there is injury to a domestic industry. pp. 7383-88
28. RECORDS. Passed without amendment H.R. 5110, to direct the transfer to the National Archives of any records of any Federal agency that are more than 50 years old and are not needed to conduct current business of the agency. p. 7359
29. POSTAL RATES. The Post Office and Civil Service Committee reported with amendment H.R. 5836, to readjust postal rates and to establish a congressional policy for the determination of postal rates (H. Rept. 524). p. 7394
30. TAXATION. As reported by the Ways and Means Committee on May 24 (H. Rept. 481), H.R. 7125 (the proposed Excise Tax Technical Changes Act of 1957) includes provisions as follows: To make effective the relief from tax intended by present law in the case of automotive parts or accessories used or resold for use as repair or replacement parts for farm equipment, the bill provides for sale of such parts on a tax-free basis, under certain conditions, when they are to be used or resold for use for such purposes. Clarifies the definitions of manufacturer of, and dealer in, tobacco materials, and requires that associations of tobacco growers keep certain records in order to indicate their Bona fide nature. Imposes a time limit (until Sept. 30, 1961) for refund claims in connection with sugar inventories.

ITEMS IN APPENDIX

31. FLOOD RELIEF. Sen. Monroney inserted a statement he had prepared summarizing the damage caused by floods and tornadoes in the Southwest. pp. A4231-3
32. INFLATION. Sen. Robertson inserted an editorial, "Trend of the Economy--Danger: Inflation Fog Ahead." p. A4233
Sen. Thurmond inserted an editorial summarizing a five-point program advanced by Sen. Talmadge "by which inflation and high taxes can be stopped." p. A4242
33. FOREIGN AID. Sen. Talmadge inserted an editorial questioning "perpetual foreign aid." pp. A4234-5
34. FARM INCOME; FAMILY FARM. Sen. Thye stated that "if this Nation should ever be so unfortunate as to lose the family farms and become solely dependent on corporate types of farming, I think we would see disappear the blessing of abundant supplies of food and fibers which American consumers have always had," and inserted two editorials on this subject. pp. A4239-41

procedures in order to avoid losing any Federal funds.

It is this situation which will arise under the 1956 formula that your committee's bill is designed to correct. This correction would be accomplished by permitting the States to have expenditures in the form of payments to suppliers of medical care taken into account for purposes of determining Federal participation in any 1 of 3 ways, the method to be selected by the State:

First, under the 1956 formula alone;

Second, under a combination of the 1950 and the 1956 formulas; or

Third, under the 1950 formula alone.

In other words, Mr. Speaker, your committee's bill would guarantee to the States the right to take advantage of the funds which the Congress intended to make available to all the States in such a way as to not impose upon the States administratively costly and undesirable changes in their medical programs or accounting procedures. It would also insure that no States will incur any financial losses with respect to their public assistance medical care programs.

The method which your committee has chosen in solving this problem arising under the 1956 formula was considered to be the most feasible and most desirable of the several alternatives which were presented. It is considered to be a sound approach to the matter, and I urge that the House speedily approve this legislation.

The SPEAKER. The Chair recognizes the gentleman from New York [Mr. REED].

Mr. REED. Mr. Speaker, I speak in support of H. R. 7238 and urge my colleagues in the House to join in obtaining favorable consideration of this necessary legislation. The need for the legislation arises from an inadvertent oversight in connection with the Social Security Amendments of 1956. As my esteemed friend and distinguished chairman, the Honorable JERE COOPER of Tennessee, has already explained to you, this legislation would permit States to receive Federal matching within the limits of the \$60 statutory maximum matchable amount per recipient for vendor payments made with respect to an individual on the assistance rolls. Effective July 1, 1957, present law provides that such vendor payments cannot be included within the \$60 statutory maximum. Instead, the only matching that would be allowed in the case of vendor payments would be under the new averaging formula provided by the 1956 amendments, applicable only to medical care expenditures and providing that a State and the Federal Government shall share equally medical care expenses up to an average medical payment maximum of \$6 in the case of public assistance for adults and \$3 in the case of aid to dependent children. There are a few States with existing well-developed medical care programs involving vendor payments that will find the Federal matching inadequate under the \$6 and \$3 limitations to maintain their existing programs. In addition, there are several States whose medical care programs may progress to the point in the foresee-

able future where these maximums would preclude realization of the Federal matching intended by the Congress.

If H. R. 7238 does not become public law, those States which would be threatened with the loss of Federal funds that Congress intended they should have, would, in order to avoid the loss of such funds, be compelled to abandon the vendor payments made in connection with their medical care programs and resort to cash payments to assistance recipients that would include an allowance for medical care or to sustain the loss of the extent of Federal participation in the State program. Such an event would entail either a curtailment in the medical care programs of the affected States or would impose upon the States the need for adopting cumbersome and costly procedures with respect to program administration.

Mr. Speaker, it is a matter of evidencing our good faith to those States that would be adversely affected by the Social Security Amendments of 1956 that necessitates favorable action on the legislation before this House today.

Mr. COOPER. Mr. Speaker, I yield 5 minutes to the gentleman from Massachusetts [Mr. LANE].

Mr. LANE. Mr. Speaker, under the social security formula that goes into effect on July 1, 1957, the Federal Government will match one-half of State medical care expenditures for public assistance recipients, up to specified maximums.

Even though the cost of living has gone up for the eighth straight month, and this includes increases in the cost of drugs, doctors' fees, and group medical plans, 1956 amendments to the Social Security Act would curtail the help given by the Federal Government to the States for medical care to persons on public assistance.

This is economy at the expense of the needy aged, the blind, the permanently and totally disabled, and dependent children.

The irony in this situation is that a few States will lose Federal funds, beginning July 1, as compared with the amount of Federal aid they are currently receiving.

Because these States are currently spending money for medical care—and receiving Federal sharing—at a rate in excess of the maximum specified in the new legislation.

In other words, those states with advanced programs, are being told that the humane decisions of their own legislatures, made with due consideration of their own financial responsibility, do not meet with the approval of the Federal Government. To point up this attitude, a penalty is attached. Over and above the stated maximums, the Federal Government will withdraw its support.

The net result is that these few States with a "social conscience" will lose \$8.6 million dollars a year in Federal grants, effective July 1, unless the law is changed before that date.

I recognize that the economic circumstances within many States, do not permit them up date their public assistance programs to the extent that they

would prefer, and that the evolution of social legislation would warrant.

That is no reason, however, for slowing down those States that are in the vanguard. Rather, we should encourage them to experiment, so that the lessons learned from their practical experience shall serve as a guide and as an encouragement to those that follow.

Mr. MASON and I have filed bills which are substantially the same as the one by Mr. McCORMACK that has been reported favorably by the Committee on Ways and Means.

The proposed legislation retains the formula established under the 1956 amendments to the Social Security Act, plus "the difference, if any, between the total expenditures which could be counted if each individual received the maximum matchable money payment under the program involved, and total expenditures for money payments which are counted in computing the amount payable to the State under that program."

Massachusetts is one of the States that will stand to lose Federal aid for such purposes. This is an inequity that cannot be overlooked.

As public assistance for the aged—as distinguished from public assistance to the blind, the permanently and totally disabled, and dependent children—will decline as more people qualify for old-age and survivors insurance which they have earned through their own contributions and those of their employers, outlays for old-age assistance will automatically lessen. With the expanding economy and the increase in the working population, this is no time for reducing medical care under the public-assistance program. It is a form of retreat, when we are but halfway toward our goal. It falsely assumes that we are cutting back on a complete program. With the rising cost of living, this inflicts real hardship on the recipients of public assistance, who were not getting adequate medical care even before the restricting amendments that will become effective on July 1, 1957.

Our purpose is to expand rather than contract the medical care that should be available to them. And to make certain that those States that are expanding such programs, shall not be cut off from Federal aid because they are making progress toward a well-rounded program that inevitably will be recognized, and shared in, by the Federal Government.

Mr. McCORMACK's bill, H. R. 7238, will "provide for a more effective distribution of Federal funds for medical and other remedial care."

At the same time, it will protect those States that are in danger of losing Federal funds for the incongruous reason that they understand, and are trying to meet the realities of our present day welfare program for those who are unable to help themselves.

We shall be going about economy the wrong way, if in our haste, we slash or freeze those basic obligations of the Federal Government in this modern age.

Medical care for persons eligible for public assistance, is a poor place "to swing the ax."

Instead, we should make moderate progress by supporting the aims of H. R. 7238.

Mr. REED. Mr. Speaker, I yield such time as he may desire to the gentleman from Pennsylvania [Mr. VAN ZANDT] to speak out of order.

(Mr. VAN ZANDT asked and was given permission to revise and extend his remarks and to include them in the Appendix of the Record.)

[Mr. VAN ZANDT addressed the House. His remarks appear in the Appendix of today's remarks.]

Mr. COOPER. Mr. Speaker, I have no further requests for time.

Mr. REED. Mr. Speaker, I have no further requests for time.

The SPEAKER. The question is on suspending the rules and passing the bill.

The question was taken; and (two-thirds having voted in favor thereof) the rules were suspended and the bill was passed.

SETTLEMENT FOR CERTAIN INEQUITABLE LOSSES SUSTAINED BY OFFICERS OF THE COMMISSIONED SERVICES UNDER EMERGENCY ECONOMY LEGISLATION

Mr. CELLER. Mr. Speaker, I move to suspend the rules and pass the bill (H. R. 293) to authorize settlement for certain inequitable losses in pay sustained by officers of the commissioned services under the emergency economy legislation, and for other purposes.

The Clerk read as follows:

Be it enacted, etc., That upon application of any officer or former officer (including the widows and legal representatives of such officers who are deceased) of the services mentioned in the Joint Pay Act of June 10, 1922, who, upon advancement in rank, did not receive an increase in the rates of pay or allowances for any part of the period beginning July 1, 1932, and ending June 30, 1934, by reason of the application in the case of such officer of section 201 (except as to longevity increase provided for in the 10th paragraph of section 1 of said Joint Pay Act) of the Legislative Appropriation Act for the fiscal year ending June 30, 1933, the Comptroller General shall determine the aggregate amount of pay and allowances, in addition to that otherwise accruing, which would have accrued to such officer if such section had not been applied in his case (except as to longevity) and pay to such officer the amount so determined. Applications under this act shall be made in such form and contain such information as the Comptroller General may prescribe, but an application under this act not filed in the General Accounting Office prior to the expiration of 2 years from the date of enactment of this act shall be of no effect. Any officer of the United States is authorized and directed upon request of the Comptroller General to supply any information from the records in the custody of such officer to aid the Comptroller General in passing upon applications under this act.

Sec. 2. There is hereby authorized to be appropriated such a sum as may be necessary to carry out the provisions of this act.

The SPEAKER. Is a second demanded?

Mr. ALLEN of Illinois. Mr. Speaker, I demand a second.

Mr. CELLER. Mr. Speaker, I ask unanimous consent that a second be considered as ordered.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. CELLER. Mr. Speaker, I yield myself 3 minutes.

Mr. Speaker, this bill is identical with one that passed in the last Congress. It has the approval of the Department of Defense and its purpose is to restore certain inequitable losses sustained by officers who were promoted in rank between the years 1932 and 1934.

In the Economy Act of 1932 it was provided that employees in the Federal Government, both civil and military, would not be entitled to automatic increases in pay. As this law was interpreted, the Federal civilian employees were authorized to receive the increased pay incident to promotion from one grade to another grade; however, in a very strained construction of the law by the Comptroller General it was ruled that officers of the uniformed services who were nominated by the President and confirmed by the Senate were not allowed the pay which should have gone with the advanced rank. This was contrary to the intent of Congress, as shown in the report on the original bill. In other words, we have the inconsistency where under that Economy Act, civilian employees, although not entitled to automatic increases where they were advanced in rank, were given increases, whereas the officers in uniform who advanced in rank were not given any increases, increases that they were entitled to because of an advance in rank.

Mr. ALLEN of Illinois. Mr. Speaker, will the gentleman yield?

Mr. CELLER. I yield to the gentleman from Illinois.

Mr. ALLEN of Illinois. Has the gentleman taken this up with the gentleman from New York [Mr. KEATING], the ranking Republican member of the Committee on the Judiciary?

Mr. CELLER. Yes, I have taken the matter up with the gentleman from New York [Mr. KEATING]; also with the gentleman from Massachusetts [Mr. MARTIN], the minority leader last week. The bill was reported unanimously by the subcommittee and also unanimously by the full Committee on the Judiciary. I do not know of any objection to the bill except the objection of the so-called professionals who handle the Consent Calendar who felt it was not the type of bill that should be considered in connection with the Consent Calendar. For that reason I am asking for suspension of the rules to pass the bill.

Mr. MASON. Mr. Speaker, will the gentleman yield?

Mr. CELLER. I yield to the gentleman from Illinois.

Mr. MASON. This, then, is to correct an inequity that was passed away back in 1932 in the Economy Act?

Mr. CELLER. That is correct.

Mr. GROSS. Mr. Speaker, if the gentleman yields, I cannot find a copy of the bill or the report over here. I wonder

if this bill should be considered until we have something, at least, that we could look at.

The SPEAKER. The Chair has a report in his hands which was filed some time ago.

Mr. GROSS. It is not available at the desk, Mr. Speaker.

Mr. CELLER. I will furnish the gentleman a copy.

Mr. ALLEN of Illinois. Mr. Speaker, I have no requests for time.

The SPEAKER. The question is on suspending the rules and passing the bill.

The question was taken; and (two-thirds having voted in favor thereof) the rules were suspended and the bill was passed.

AGRICULTURAL TRADE DEVELOPMENT AND ASSISTANCE ACT OF 1954

Mr. O'NEILL. Mr. Speaker, by direction of the Committee on Rules, I call up House Resolution 264 and ask for its immediate consideration.

The Clerk read the resolution, as follows:

Resolved, That upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H. R. 6974) to extend the Agricultural Trade Development and Assistance Act of 1954, and for other purposes. After general debate, which shall be confined to the bill and continue not to exceed 2 hours, to be equally divided and controlled by the chairman and ranking minority member of the Committee on Agriculture, the bill shall be read for amendment under the 5-minute rule. At the conclusion of the consideration of the bill for amendment, the Committee shall rise and report the bill to the House with such amendments as may have been adopted, and the previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit.

Mr. O'NEILL. Mr. Speaker, I yield myself 30 minutes, and at the conclusion of my remarks, I will yield 30 minutes to the gentleman from Illinois [Mr. ALLEN].

Mr. Speaker, House Resolution 264 provides for the consideration of H. R. 6974 to extend Public Law 480, the Agricultural Trade Development and Assistance Act of 1954.

The resolution provides for an open rule and 2 hours of general debate on the bill.

Title I of Public Law 480 authorizes the President to enter into agreements with friendly nations, or organizations of friendly nations, for the sale of surplus agricultural commodities for foreign currencies, to be used mainly for market development, foreign assistance, and payment of United States obligations abroad. The act originally provided for an authorization of \$700 million for the sale of surpluses abroad for foreign currencies. The authorization was increased to one billion five hundred million in 1955, three billion in 1956, and this bill further increases the authorization to a total of \$4 billion.

The bill also provides for an increase in the authorization under title II of

\$300 million. This title of the act authorizes a program by which we can help friendly foreign people in time of need.

The termination date of these programs under titles I and II is extended from June 30, 1957, for 1 year until June 30, 1958.

No change is made in the provisions of title III of the act which deals with barter and the permanent surplus disposal and donation programs embodied in the Agricultural Act of 1949.

I urge the adoption of House Resolution 264 so the House may proceed with the consideration of H. R. 6974.

I note in the Saturday Evening Star, a Washington paper, an AP dispatch, and in talking about farm losses it says:

The Agriculture Department reports that it lost \$1,056,900,000 in farm price support programs in the 10 months ending April 10. That was the biggest loss for any such period in the history of Government farm price support operations.

Losses are incurred largely through the sale at less than cost of surpluses acquired from farmers under price-support loans.

There has been heavy movement of surpluses abroad during the past year.

Losses for the comparable period last year totaled \$771,958,909.

The bill proposes that this year we go into the pockets of the taxpayer for another \$1 billion.

Mr. MASON. Mr. Speaker, will the gentleman yield?

Mr. O'NEILL. I yield.

Mr. MASON. The gentleman referred to the fact that this bill covers exchanges with friendly nations. Would the gentleman be willing to define for me, in the light of present-day conditions, what a "friendly nation" is?

Mr. O'NEILL. It is very difficult to say what a "friendly nation" is. I am one of those who believes that you cannot buy friends. The policy of this Government for years has been to try to buy friends. What you find out is that they resent your helping them.

Mr. MASON. That is right.

Mr. O'NEILL. If you do not give from a friendly heart, you do not have a friend. America gives to other countries of the world, for its own protection, because of its greed. We think we are protecting ourselves. We are not giving to the other countries of the world in order to help them, although that is the real purpose behind legislation of this type.

It is interesting to note some figures of the Commodity Credit Corporation. Incidentally, this bill was reported out of the Committee on Rules about 2 weeks ago, but, because of the appropriation bill for the armed services being in the House, it was not reported to this House. I called on the Department of Agriculture because I was interested in the question of these surplus sales that have been made. I asked to have sent up to my office the record of the sales from Commodity Credit Corporation stocks that were made that amounted to over \$100,000. The record is very interesting on that. This all comes under title I.

For example, in 1955 there were sales amounting to \$72,496,847 of CCC surplus commodities. Three international cartels handled approximately 68 percent of these transactions. From July 1955

through April 1957 they sold surplus commodities amounting to \$233,258,935. Three of the cartels handled 65 percent of those goods.

Those companies are Cargill, Inc., which handled 19 percent or \$45 million; Continental Grain, which handled over \$77 million or 33 percent of the program; and Leval, which handled over \$30 million, or 13 percent of the program.

You can see the same pattern all through the transactions of the Commodity Credit Corporation. There were 1 or 2 or 3 or 5 companies at the most. Thirty-seven different companies have handled these transactions, but the bulk of them is locked in the hands of 3 companies, 2 of which are not American-controlled companies.

Mr. GROSS. Mr. Chairman, will the gentleman yield?

Mr. O'NEILL. I yield to the gentleman.

Mr. GROSS. Can the gentleman give us any idea of the services that these three cartels performed?

Mr. O'NEILL. I am sure the gentleman is aware of how this operation works. Technically speaking our Government would go to a foreign government that is in need of one of these surplus commodities. Then we arrange to sell X million bushels of grain or of corn or of wheat or of cotton. Then after we have agreed on that, we make the sale to the Government. Then one of the cartels steps in and acts allegedly as a purchaser, but is in fact a broker in the deal since our Government and the purchasing government have already agreed on the sale. Their profit, of course, is at the expense of the United States taxpayer. Actually I do not know what the profit is, but there must be a tremendous amount of profit on over \$233 million worth of goods which represents only a part of the total sales since the beginning of these operations.

An interesting thing about these cartels in this. One of these companies has 15 subsidiaries and agents in various countries in the world. One would be in India or in Pakistan or Italy, Greece, and so forth. They go to these governments probably before our officials. They say to the Government of Greece or the Government of Lebanon or the Government of Pakistan or the Government of India or any one of these other governments, "You need this United States surplus or that United States surplus." The cartel's agent induces them to buy the surplus. We are not offering them these things. These various cartels have their agents throughout the world. They are producing business. Under agreements made between the American Government and different countries with which we are doing business, the cartels come in and bid among themselves. They are the ones then who distribute these products to the foreign nations.

Mr. GROSS. That is exactly the point. I do not understand why these people should come in as middle men. As a Government do not we maintain all kinds of foreign attachés, a very army of foreign employees in various agencies?

Mr. O'NEILL. I certainly agree with the gentleman.

While I was doing a little research on this piece of legislation I secured and have here the report of the United States contributions to international organizations. As you know, under this particular bill we are being paid in foreign currencies. For example, if we were to sell X millions of dollars worth of wheat to India, we would be paid in the monetary system of India, which I believe is rupees. These rupees would be left there, part of them used as counterpart funds. The record shows that others we lend back to India on a 30-year loan, and they can pay us in rupees again at the end of that time.

As to this contribution of the United States to international organizations, you will note as we have gone along in the past few years that we originally, about 3 years ago, paid \$95 million for the support of the organizations. In 1956 we paid \$105 million for the support of the organizations. Now, in 1957, we are paying \$127 million for the support of the organizations. In 1958 it is going to be even higher.

I believe that this foreign currency credited to the account of the United States pursuant to transactions carried out under Public Law 480 but not already obligated should be used as payment in whole or in part of the United States contributions to international organizations in lieu of United States dollars, whenever said payment in foreign currencies credited to the account of the United States under this act has been determined by the President of the United States to be such as not to impair the functions of any or all of the international organizations which are to receive United States contributions, in whole or in part, in the form of foreign currencies. All United States departments or agencies making contributions to international organizations by virtue of appropriated funds, or otherwise, should henceforth reimburse the Commodity Credit Corporation with the dollar value of the foreign currency funds used in lieu of United States dollars in the payment of the United States contributions to international organizations.

I had intended to offer what I just stated as an amendment to the bill. I have already been informed that the amendment is out of order. Whether it should be considered by the Committee on Banking and Currency or the Committee on Foreign Affairs, is not clear but certainly something should be done with this money that we have lying around in the equivalent amounts of hundreds of millions of dollars, in all the nations of the world; and then we pay into these international organizations something that is mounting year after year after year. This year, in 1957, we are spending \$127 million. In 1958 it is going to be more.

Mr. ALLEN of Illinois. Mr. Speaker, will the gentleman yield?

Mr. O'NEILL. I yield.

Mr. ALLEN of Illinois. The full Committee on Agriculture has held hearings for two days on this intricate problem of surpluses. I know the gentleman would agree with me that when you go into the field of just what to do with surpluses

you really have a job on your hands. I believe the full Committee on Agriculture had 2 days of hearings on this matter and then unanimously reported this bill.

Mr. O'NEILL. I agree with the gentleman. The Committee on Agriculture did unanimously report this bill.

Mr. ROONEY. Mr. Speaker, will the gentleman yield?

Mr. O'NEILL. I yield to the gentleman from New York.

Mr. ROONEY. I have a question I should like to propound to the distinguished gentleman from Massachusetts or a member of the Committee on Agriculture. On page 12 of the committee report on the bill H. R. 6974 we find the following language:

In many countries additional physical facilities, including perhaps a more suitable residence, would be of assistance to the agricultural attaché in selling American agricultural products.

I should like to inquire what is meant by this, and whether or not we are under the terms of this bill creating another Foreign Service, a super Foreign Service, where from the proceeds of these agricultural commodities under Public Law 480 we will be building ambassadors' residences for the agricultural ambassadors.

Mr. O'NEILL. I cannot answer the question of the gentleman as to whether we are going to set up another organization such as the gentleman stated, but I do know this—the Commodity Credit Corporation has been reimbursed only to the extent of \$52,650,241 out of expenditures under this act that total \$1,590,618,866 out of CCC funds. In other words, we received back approximately 3 percent of the money. I do not know what you can do with these rupees or pesos and these foreign currencies. Perhaps, they can be used for wallpaper or something like that. But, on the other hand, it may be best if it was used to build buildings in these foreign countries rather than to let the money just pile up—I just do not know.

Mr. ROONEY. But this idea of having Agricultural Department buildings all over the world. I thought our representation in the various countries of the world was under the Secretary of State.

Mr. O'NEILL. I agree with the gentleman. One thing I can see here is that we are asking for an authorization of another \$1 billion. We are losing on this thing steadily, steadily, and steadily. We are not getting any return. We are not getting any value out of it. In my opinion, we are not getting any value out of it. But, I realize something must be done with these surpluses. I have already mentioned to you these international cartels that pass themselves off as purchasers, but who in fact appear to be brokers at the expense of the United States taxpayers in these matters. Certainly, I think the Committee on Agriculture or the Committee on Foreign Affairs or the Committee on Banking and Currency or whoever has jurisdiction over these matters should do something to eliminate or restrict these agents—who are not even the agents of American controlled corporations but who are

making huge profits out of our surplus commodities.

Mr. COOLEY. Mr. Speaker, will the gentleman yield?

Mr. O'NEILL. I yield.

Mr. COOLEY. I would just like to say to the gentleman from New York, that in the first place, our agricultural attachés are not merely salesmen. In this section, we are talking not about surplus commodities but about surplus funds, counterpart funds, which, as the gentleman from Massachusetts has indicated, are accumulating in enormous amounts. Is it better to permit the funds to accumulate throughout the world, or is it better to take a part of those funds and invest the funds in real estate—even, perhaps, a residence for our agricultural attachés, most of whom now are not adequately housed or adequately financed.

Mr. O'NEILL. The matter of building residences for our representatives abroad comes under the jurisdiction of the gentleman from New York so far as appropriations are concerned since the gentleman is the chairman of the Subcommittee on State, Justice and the Judiciary Appropriations.

Mr. COOLEY. The Federal Government is paying out enormous sums in American dollars for the rental of buildings.

Mr. ROONEY. Mr. Speaker, will the gentleman yield?

Mr. O'NEILL. I yield.

Mr. ROONEY. I wonder at the statement of the distinguished gentleman from North Carolina, my friend, who is chairman of the great House Committee on Agriculture when he says that the agricultural attaché is not a salesman. In his report on this bill, he states, "suitable residences would be of assistance to the agricultural attaché in selling American agricultural products."

Mr. COOLEY. I agree with the gentleman on that. Recently, the Congress took the agricultural attachés out from under the State Department so to speak, and they now report directly to the Secretary of Agriculture. That is the way I think it should be. I think the agricultural attaché is stationed in a foreign country for the purpose of collecting information for our own Department of Agriculture, for the purpose of pointing out to American businessmen the possibilities of trading in foreign countries, and to assist Americans to find markets for its products. But, certainly, the agricultural attaché is not a salesman in the usual sense of the word. He has nothing to sell and he has no authority to consummate the sales on any commodity; but certainly a big part of his job is to help American agriculture find foreign markets for its commodities.

Mr. MASON. Mr. Speaker, will the gentleman yield?

Mr. O'NEILL. I yield.

Mr. MASON. It is a fact, is it not, that the Committee on Agriculture voted unanimously in support of this bill?

Mr. O'NEILL. That is true.

Mr. MASON. And it is also a fact that the Committee on Agriculture has as its main objective the benefit of the Ameri-

can farmers in getting rid of these surpluses; is that not a fact?

Mr. O'NEILL. That is true.

Mr. MASON. In view of those two facts, the Committee on Agriculture cannot be expected to have in mind the economic welfare or the general well-being of the people of this Nation. They can only keep in mind the welfare of the farmers, and getting rid of these surpluses for these counterpart funds which are no good to anybody and which we ought to be able to use, as the gentleman says at least to get some benefit out of, such as paying the rent for these agricultural attachés, if necessary, or providing them with homes. But we ought to get some good out of these counterpart funds in order to get a little return on the tax money we have spent to accumulate them.

Mr. GROSS. Mr. Speaker, will the gentleman yield?

Mr. O'NEILL. I yield.

Mr. GROSS. This being an off year, as far as elections are concerned, I wonder how much will be left this time next year when the junketing parties get through.

Mr. O'NEILL. They use only a small part of these funds. As a matter of fact, you could have half of America go on a junket and they could not spend all the money they set up in these situations.

Mr. GROSS. About 3 years ago we turned over to the British Government more than a billion dollars in counterpart funds to retire their debt. That is a good way of taking care of that difficulty.

Mr. O'NEILL. I yield to the gentleman from New York [Mrs. KELLY].

Mrs. KELLY of New York. On page 10 of the report:

It is an emergency law designed for the sole purpose of making the best of a bad situation by providing for the disposal of agricultural surpluses in a manner which will return some benefit—if possible, a permanent benefit—to the United States.

I do not call surpluses a bad situation. I am just wondering if at this time it would not be advisable to consider defeating the rule on this matter, for one other reason. I am deeply concerned over the fact that the Members of this House do not know that which is involved in this bill. What is involved in this bill is much deeper than the simple bill before us, of an increase from \$3 billion to \$4 billion. What is involved in this bill is a fundamental basis which we should decide. That is, the present negotiations for Polish aid is involved in the passage of this law. Saturday the State Department gave a release, and that which was involved, as far as this law is concerned, is in the sale of surpluses to Poland. On April Fools' Day—it is a rather good day as far as this is concerned—the law was declassified by the State Department claiming Poland no longer under the domination of the Soviet regime. It certainly was true on April Fools' Day. On that basis negotiations were held, but that which was made public is only a small portion of the real negotiations. I think it is most unfair to the membership of this House to vote on a law or a bill in which they do not

know the fundamental and true facts of the negotiations with Poland.

Mr. O'NEILL. No change has been made in title III of this act which deals with barter and permanent disposal programs, and donation programs embodied in the Agricultural Act of 1949. As this act passes here, as I understand it, you could not barter with Poland, or any country behind the Iron Curtain at this time, but I understand that in April the Senate passed a bill stating there would have to be—

Mrs. KELLY of New York. Just let me amplify that. It is true that 103 and 304 are not changed under the basic law. But under that the executive branch can decide if a nation is friendly. So, under the determination of December 20, they determined that Poland was a friendly nation. Therefore negotiations could be held with Poland. I am not disputing that right of the Government to consider trading with Poland. But using this law as a basis for negotiations, the State Department went further in their negotiations than the trading of surplus commodities.

Regarding that I cannot address the House for the simple reason that it is classified.

Mr. COOLEY. Mr. Speaker, will the gentleman yield?

Mr. O'NEILL. I yield.

Mr. COOLEY. I do not know what classified information the fair lady from New York has that she cannot disclose to the House, but I think that the situation she is grieved about resulted from an interpretation of the Polish situation by the officials of the State Department when they declared that Poland was now a friendly nation, and having declared Poland as a friendly nation the State Department or some other officials of some other department of the Government has now entered into negotiations.

But the fact remains that there is no provision in this bill which has changed the situation which she has in mind. Of course, if no funds are provided there would be nothing to trade with. I understand exactly what her objection is and that is that the State Department has interpreted the situation in Poland contrary to her own idea of what the situation really is and perhaps contrary to my idea, because I do not consider that the Polish Government is a friendly government. I do not consider that the Polish Government is not dominated by the U. S. S. R. If it is dominated by the U. S. S. R. they have no right to negotiate with them if they are in fact negotiating.

Mrs. KELLY of New York. Mr. Speaker, will the gentleman yield further?

Mr. O'NEILL. I yield.

Mrs. KELLY of New York. I would like to say as a member of the Committee on Foreign Affairs that I cannot divulge that which is classified. But I can also say that before the session this afternoon one of the members of the Committee on Agriculture told me he was acquainted with what I considered classified matter, and that the Department had told him parts of it. If he

wants to divulge it on the floor that is up to him.

Mr. DORN of New York. Mr. Speaker, will the gentleman yield?

Mr. O'NEILL. I yield.

Mr. DORN of New York. I wonder if the distinguished chairman of the Committee on Agriculture, in view of the statement he made, would accept an amendment to the effect that under this bill Poland is considered an unfriendly nation, so it would be in black and white in the bill itself.

Mr. COOLEY. No; I would not accept the responsibility of defining a friendly nation or an unfriendly nation.

Mr. DORN of New York. There is a definition of "friendly nation" in the bill. Under my interpretation of the bill Poland would not be a friendly nation, but the State Department interprets it differently. I think in view of the gentleman's reasoning it should be set out in the bill itself.

Mr. COOLEY. I said I am inclined to agree with the position of the gentleman, but the fact is that the situation might drastically change at any time, and in the event there were a drastic change and the Polish Government did in fact become a friendly government, then I would be in favor of dealing with her as a friendly nation.

Mr. DORN of New York. Cannot that be set forth in the bill? Because if the bill remains as it is now we are going to not have that. I think it should be in the bill.

Mr. COOLEY. If the gentleman will let me proceed for just a minute, in the law now there is a restriction and a limitation to the effect that we cannot trade with Iron Curtain countries. We have been urged to remove that restriction from the law. The Secretary of State wants to remove it, the Secretary of Agriculture wants to remove it, and perhaps the entire executive branch wants it removed. The Senate, I understand, has removed the limitation, but the House committee had declined to take action although it was carefully considered. We eliminated it from the bill that was transmitted to us from the Secretary of Agriculture. It did contain the provision. I deleted that provision from the bill during committee consideration. That question is not now before us. If the gentlewoman from New York desired to put in a limitation that we cannot deal with Poland and name Poland, she has the right to do so.

Mr. DORN of New York. Do I understand from what the gentleman says that he would favor such an amendment?

Mr. COOLEY. No. I think I am inclined to favor what I know now to be in the law and leave the interpretation to somebody in the executive branch who is better prepared than I would be on the information available to me.

Mr. DORN of New York. It has been indicated that the belief is that Poland is a friendly nation.

Mr. COOLEY. I think they have actually declared that and I think the gentlewoman from New York can inform the House in very clear and unambiguous language as to where we stand in that regard.

Mr. O'NEILL. Mr. Speaker, I would like to direct my remarks to the Chairman of the Committee on Agriculture. The act originally provided for an authorization of \$700 million for sales abroad to foreign countries. The authorization was then increased to \$1,500,000,000 and to \$3 billion in 1956. This bill further increases the authorization under the title to \$4 billion. I want to know when you are going to stop. I am asking the gentleman from North Carolina, Chairman of the Committee on Agriculture. There is no answer to that, but I think there are a lot of people would like to know when it is going to stop.

Mr. COOLEY. The gentleman is asking me?

Mr. O'NEILL. I said that in 1955 the original authorization was for \$700 million, which was increased to \$1,500,000,000, then to \$3 billion and now to \$4 billion. I want to know when it is going to stop.

Mr. COOLEY. That situation is detailed in the report and I assume the gentleman is reading from the committee report. We made a full disclosure of the situation. The gentleman must be aware of the fact that the executive branch of the Government presented these figures. The executive branch recommended the increase of \$1 billion in one place and \$300 million in another place. This bill was reported by the committee unanimously. It was considered in an atmosphere that was free from partisan politics. The gentleman asks the question when are we going to stop? My answer is I do not know.

Mr. O'NEILL. That is a fair answer.

Mr. BOW. Mr. Chairman, will the gentleman yield?

Mr. O'NEILL. I yield to the gentleman from Ohio.

Mr. BOW. Last week the Congress adopted a conference report on appropriations for the State Department and other agencies which contained an international exchange item, translation of publications and information and education items as well. Can the gentleman explain to us to what extent these funds are used for the purpose of these items that we have already appropriated large sums to be used by the State Department and USIA?

Mr. O'NEILL. There is a breakdown in the report as to how much of it is used. Actually only about 15 percent of this foreign currency is used by the Government for any purposes.

The SPEAKER. The time of the gentleman from Massachusetts has expired.

Mr. ALLEN of Illinois. Mr. Speaker, I yield the gentleman 5 additional minutes.

Mr. O'NEILL. Mr. Speaker, I want to conclude my remarks by making the following statement:

Commodity Credit Corporation sales records—of all sales in excess of \$100,000—for a 22-month period from July 1955 to, and including, April 1957, reflect that the total dollar-value of commodities sold under title I, Public Law 480, to be in the amount of \$233,258,935. Thirty-seven companies participated in these purchases but three of the com-

panies allegedly bought about 65 percent, or almost two-thirds of the over \$233 million sales made by CCC under this title.

Two of the three companies that control the bulk of these purchases are known to be integral parts of international cartels. One of the three companies purchased in a 3-day period in February 1956 over \$11 million worth of title I commodities in addition to over \$5 million of surplus commodities from the CCC for a 3-day total purchase from CCC of \$16,580,775. This situation hardly gives much opportunity to American businessmen.

These international cartels that control the bulk of Public Law 480 sales are nothing more than brokers, since the sale is agreed to between the United States and the purchasing country before, at least theoretically before, the international cartel enters the picture. I say this because it appears that despite the prohibition against bidding before the purchase authorization is announced by the Department of Agriculture, these international groups have already commenced their operations through contacts in the foreign country, long prior to the agreement between nations.

I think the Committee on Agriculture or whatever committee has jurisdiction of this matter certainly should look into it and something should be done.

Mr. COOLEY. Mr. Speaker, will the gentleman yield?

Mr. O'NEILL. I yield to the gentleman from North Carolina.

Mr. COOLEY. I would just like to say that some of these transactions involve as many as three nations, and unless you know all the facts and circumstances it is difficult to say whether there is anything evil involved or not. The gentleman used the word "cartel." I know that there are transactions now in the bill, so to speak, that have actually been approved by the National Defense Committee of this House that involve far more than the items mentioned there. I think one is a military-housing project that involves about \$50 million.

Mr. O'NEILL. I am not saying that these are not legitimate transactions, but my curiosity is certainly aroused when the CCC handles \$233 million worth of sales and 65 percent of it is handled by 3 companies, 2 of them not United States corporations, and I think it is time that this Congress look into the matter.

Mr. COOLEY. I assure the gentleman that the devoted members of our committee are very much interested in the subject he has discussed and we will do our dead level best to investigate and to study each of these proposals.

Mr. O'NEILL. I thank the gentleman.

Mr. ROONEY. Mr. Speaker, will the gentleman yield?

Mr. O'NEILL. I yield to the gentleman from New York.

Mr. ROONEY. In regard to the very pertinent question asked by the distinguished gentleman from Ohio [Mr. Bow] awhile ago concerning the items set forth at page 8 of the committee report in regard to this bill, and in particular the \$7.4 million for information

and education, which would be on top of the appropriation just passed by this body and the other body for that purpose and \$1.75 million for translations and publications, I should like to say in regard to the figure of \$17.15 million in the international education exchange program that that amount compares with not more than \$1.5 million at the present time and in this very fiscal year. It would seem to me as though we are just going hog wild with the use of these funds, and I think it should be called to the attention of the House, particularly the comparison between not over \$1.5 million in the present year and \$17.15 million as provided under this authorization.

Mr. O'NEILL. May I ask the distinguished chairman of the Subcommittee on Appropriations for Foreign Affairs what he thinks of this proposal, in view of the fact that at the present time we are giving to the United Nations and special agencies \$27 million; North Atlantic Treaty Organization, \$1,150,000; Inter-American Organization, \$6,448,000; other international organizations, \$428,000; temporary organizations or organizations in which the United States participates, \$26,000; special programs financed by voluntary United States contributions, a total of \$126,045,000, that we use some of this surplus commodity money that is lying in these different nations, and instead of paying out cash dollars each year to the amount of now \$126 million, and next year it is going to be around one-hundred-and-thirty-odd million dollars, that we use these funds ourselves.

Mr. ROONEY. I would say to the distinguished gentleman from Massachusetts that if that could be achieved in proper fashion I would most certainly favor it. However, it should not be done through this method of bringing a bill such as this to the floor. This seems to me like a beautiful mess of porridge, with everybody waiting to get into it with a huge spoon. That is what is happening with regard to these funds. I do not think they should be used to increase a program from \$1,500,000 in the current year to \$17 million plus as authorized under this bill.

Mr. O'NEILL. I thank the gentleman. Mr. ALLEN of Illinois. Mr. Speaker, I yield 5 minutes to the gentleman from Wisconsin [Mr. LAIRD].

CALL OF THE HOUSE

Mr. TABER. Mr. Speaker, I make the point of order that a quorum is not present.

The SPEAKER. Evidently a quorum is not present.

Mr. COOPER. Mr. Speaker, I move a call of the House.

A call of the House was ordered.

The Clerk called the roll, and the following Members failed to answer to their names:

[Roll No. 93]

Alexander	Bowler	Christopher
Anfuso	Boykin	Cole
Barden	Brooks, La.	Coudert
Bass, N. H.	Brownson	Cretella
Beamer	Buckley	Curtis, Mass.
Blitch	Celler	Curtis, Mo.
Bonner	Chiperfield	Davis, Ga.

Dawson, Ill.
Dennison
Diggs
Dixon
Dollinger
Donohue
Durham
Eberharter
Engle
Evins
Farbstein
Fino
Flood
Flynt
Fogarty
Fountain
Frazier
Green, Pa.
Halleck
Hays, Ohio
Healey
Hess
Hollfield

Holt
Holtzman
James
Jenkins
Kearney
Keogh
Kilday
Knox
Landrum
Lankford
Latham
McConnell
McCormack
McGovern
Mack, Ill.
Miller, Md.
Miller, N. Y.
Montoya
Morano
Morrison
Moss
Norblad
O'Brien, N. Y.

O'Konski
Patterson
Philbin
Powell
Prouty
Rains
Rivers
Roosevelt
Scott, N. C.
Scott, Pa.
Seely-Brown
Sheehan
Shelley
Teague, Tex.
Teller
Utt
Wharton
Williams, N. Y.
Wilson, Ind.
Wolverton
Wright

The SPEAKER. On this rollcall 325 Members have answered to their names, a quorum.

By unanimous consent, further proceedings under the call were dispensed with.

AGRICULTURAL TRADE DEVELOPMENT AND ASSISTANCE ACT OF 1954

The SPEAKER. The gentleman from Wisconsin [Mr. LAIRD] is recognized.

Mr. LAIRD. Mr. Speaker, I strongly support enactment of H. R. 6974, a bill which would extend title I of Public Law 480 for 1 year and increase the authorization by \$1 billion. It would also extend the title II famine relief authority for 1 year and increase the authorization by \$300 million.

On May 23, 1957, I addressed the House on the need for this legislation and outlined in detail the operations of this law since its enactment by the Republican 83d Congress.

Mr. Speaker, I have just seen the Department of Agriculture's estimate of agricultural exports for the first 10 months of the current fiscal year. Already they total in excess of \$4 billion. We are well on our way to setting a new alltime high in farm product exports. The total for the current year will probably exceed \$4.5 billion. The foreign currency sales program under title I has made a major contribution to this export gain.

During 1956 and 1957, it is resulting in the movement of about 160 million bushels of wheat, 16 million bags of rice, over 600 million pounds of soybean and cottonseed oil, 1.5 million bales of cotton, as well as quantities of other products such as cheese, powdered milk, butter, feed grains, tobacco, lard, tallow, fruit, meat products, and vegetable products.

The whole milk reconstitution program that is being carried on in Japan at the present time is a direct result of this 480 legislation which was passed originally in the 83d Congress.

For the first time in years, expanded exports including those made under title I are helping reduce price depressing surpluses of Government inventories in the hands of the Commodity Credit Corporation. The foreign currency exports are helping swell rice and vegetable oil shipments to new alltime highs. The wheat shipments are helping make possible a record or a near record wheat

export year. Cotton shipments are expected to be the highest in three decades.

As of March 1, the Commodity Credit Corporation investment in price support stocks is down about \$500 million as compared with the same date a year earlier. By June 30, the investment should be about \$800 million less than it was 12 months earlier.

Title I has been particularly helpful in that it makes possible the movement of surplus commodities to those countries of the world which limit their commercial purchases because of a lack of sufficient foreign exchange. The program also helps to maintain our markets in other countries of the world which suffer temporary foreign exchange problems. In general, title I has immediate benefits by helping move the surpluses into constructive use abroad. It also helps build longer time demands for our farm products.

**TOTAL UNITED STATES AGRICULTURAL EXPORTS
AND TITLE I OF PUBLIC LAW 480**

I am sure all of us heartened by the progress which has been made in expanding agricultural exports. These exports have increased in value from about \$2.8 billion in 1952-53 to \$3.5 billion in 1955-56. On a volume basis, the increase was even more impressive. Last year's exports were the highest in quantity for the last 30 years.

The gain in exports is proceeding at an accelerated rate during the current season. For the first 8 months of 1956-57, overseas shipments totaled about \$3.2 billion in value. This is 50 percent higher than the export total on the same date last year. It appears that for the entire 1956-57 season our agricultural exports could total as much as \$4.5 billion. The attainment of such a level would mean new alltime highs in both value and volume, far above previous records.

The improved export outlook results from many factors including a stepped-up program to dispose of price support stocks and more competitive export pricing policies, particularly for cotton, greater needs abroad because of poor crop conditions, some forward buying abroad because of the uncertainty resulting from the situation in Suez and behind the Iron Curtain, and the effects of special surplus disposal programs especially those undertaken under title I of Public Law 480.

Very briefly, it appears that the title I program has had the following major commodity effects:

First. The program is largely responsible for the commitment of the rice surplus accumulated from the 1953, 1954, and 1955 crops and a part of the potential surplus from the current crop—this has materially strengthened marketing conditions for rice producers during the current season.

Second. Title I has made a major contribution to a tremendous expansion in wheat and wheat flour exports during the current season which could total as much as 450 million bushels. This would make possible a reduction in surplus wheat stocks of about 50 million bushels, the first reduction in carryover in 5 years.

Third. Exports of nearly 600 million pounds of cottonseed and soybean oil moved under the foreign-currency program during 1955-56, which helped to raise our total exports of vegetable oils to a new record level—this was the major factor in maintaining firm soybean prices to producers last year and it kept soybeans and cottonseed out of CCC hands under the support program.

Fourth. Title I exports of over 100 million pounds of lard made in 1955-56 have been of material help along with other actions taken by the Department of Agriculture in the present strength in hog prices.

Fifth. Public Law 480 exports of 71 million pounds of tobacco last year represented about three-fifths of the increase in tobacco exports as compared with the previous year and helped push exports to the highest level in 10 years.

Sixth. Title I programs were responsible for the movement of over 20 percent of total cotton exports last year despite the fact that prices were not competitive most of the year and the movement of as much as 1½ million bales of cotton this season which will help swell cotton exports to the highest level in 23 years.

**TITLE I, PUBLIC LAW 480, COMMODITY
HIGHLIGHTS**

DAIRY PRODUCTS

Dairy products sales for foreign currency under title I of Public Law 480, are helping us keep the commodities (butter, cheese, nonfat dried milk) under the price-support program down to a current basis. Out of 800 million pounds of nonfat dried milk, over 15 million pounds are disposed of under title I, Public Law 480. India is expected to import about 10 million pounds of this 800 million pounds. Twenty to twenty-five million pounds out of 150 million pounds of butter will be disposed of under this program. It is expected that about 5 million pounds of cheese will be taken under title I during the next fiscal year. During the program to date the major countries involved in programing the cheese have been Israel, Greece, and Korea. USDA is now able to take care of the surpluses on a seasonal basis so that it can dispose of everything acquired by CCC under the price-support program.

RICE

The story on rice must certainly be most welcome to rice producers. At the beginning of the current year about 22 million bags on a milled rice basis were in CCC inventory or under loan. By June 30, CCC stocks should be cut in half. This huge reduction in surpluses will result from a record export year of about 25 million bags. And about two-thirds of these exports are being made under title I programs with India, Korea, Pakistan, and Indonesia. Thus, in the space of 12 months expanded export disposals largely stimulated by Public Law 480 are resulting in the liquidation of the rice surplus accumulated from the 1953, 1954, and 1955 crops, and a substantial part of the potential surplus from the current crop. Rice producers are benefiting from improved marketing conditions for the current crop and 1957 mar-

ketings will not be depressed by the weight of heavy surpluses.

WHEAT

The surplus holdings of wheat have grown larger each year since 1952-53. But in 1956-57 for the first time in 5 years the surplus should be reduced by about 50 million bushels.

The reversal in surplus accumulations is due almost entirely to expanded exports which have risen from 220 million bushels in 1953-54 to 344 million last year. The Department of Agriculture some time ago estimated wheat and flour exports for the current season at a minimum of 415 million bushels. Now it appears that exports should reach 450 million bushels.

A large share of the credit for this gratifying outlook must go to Public Law 480 and particularly to title I. Exports for foreign currency have increased from 24 million bushels in 1954-55 to 93 million bushels last year and are expected to equal or exceed 150 million bushels this year. Much of these shipments are going to countries like India which is finding it possible to expand consumption of wheat as the result of their ability to make purchases in their own currency.

The possibility of a cut in the surplus wheat stockpile is even brighter for 1957-58. With prospects good for continued high-level exports and a substantial reduction in wheat production because of the soil-bank program, the reduction in the wheat carryover at the end of next season should be much larger than the 50 million bushels in sight this year.

COTTONSEED AND SOYBEAN OIL

The programing and shipment of cottonseed and soybean oil under title I in 1955-56 was the key factor in keeping cottonseed and soybeans out of CCC hands. These activities have added millions of dollars to the incomes of soybean and cottonseed producers. Nearly 600 million pounds of these oils were shipped abroad under the foreign currency program last year and this helped push edible oil exports to a record level of almost 1.2 billion pounds, about 55 percent higher than the previous record level. The large exports of oils together with record exports of soybeans kept soybeans and cottonseed above support levels last year. Despite the fact that farmers placed about 30 million bushels of soybeans under price support in 1955-56, only a few thousand bushels were taken over by CCC and these were sold easily.

The record 1956 harvest of 456 million bushels of soybeans, almost 84 million bushels higher than last year's level, made marketing conditions look dark last fall. But again title I has proved of great help. For the entire season, combined exports of cottonseed and soybean oil should approximate last season's record with the continued strong help of Public Law 480.

LARD

Lard exports which totaled about 625 million pounds in 1955-56 have done much to ease the pressure on the live-

stock industry. Public Law 480 title I shipments accounted for 100 million pounds of this total. This was of material assistance in reaching this export total. It is expected that lard exports under the foreign currency program will be at the same level this year. These exports helped to bolster lard prices during the last few months which in turn contributed to the improvement in prices that hog producers have been experiencing.

TOBACCO

Tobacco exports last year of about 580 million pounds were the highest in 10 years and about 115 million pounds more than in 1954-55. About three-fifths of this increase over the previous year resulted from exports financed under the title I program. The program helped to increase stocks in a number of countries, such as the United Kingdom. It also opened up a new postwar market for tobacco in Korea. The usual marketing requirements under the program have been an important factor in helping increase dollar sales, which accounted for 88 percent of our total tobacco exports in 1955-56.

This year tobacco exports, although expected to be high, may be down to 500 million pounds. The decrease will result from greater competition from other exporting countries, and foreign-buyer resistance to price rises in stronger-flavored tobacco and to those varieties of flue-cured tobacco produced last year, which lacks flavor and aroma. The title I program will help to prevent a further decline in exports by moving about 55 million pounds of tobacco abroad this year.

COTTON

The big news in cotton is without doubt that American cotton is fully competitive in world markets. This has been the outstanding factor in prospects for exports of at least 7 million bales this year, more than triple last year's low level. Additional factors were rising consumption abroad and a desire to add to low inventories. This sharp change in export outlook means that for the first time in 6 years instead of adding to the existing surplus, carryover stocks should be reduced by more than 2 million bales.

But title I helped to move cotton last season, and the large programs negotiated last year are helping considerably with the strong export movement this year.

In 1955-56 we exported only 2.2 million bales of cotton. This was primarily because our prices were not competitive in world markets during most of the season. But title I helped to keep exports from going lower. Such foreign currency shipments were responsible for about 22 percent of last year's exports. And it is interesting to note that countries with which there were title I cotton programs last season took 99 percent as much cotton as they did the season before, whereas non-Public Law 480 countries took only 40 percent as much cotton in 1955-56 as the year before.

Japan is an outstanding example. We exported 833,000 bales to that country for dollars and yen in 1955-56 which

was almost 30 percent higher than exports in the previous year. The United Kingdom, on the other hand, with which there was no program, reduced their takings from us by 64 percent.

I repeat that this year, the major reason exports are zooming is because of competitive pricing and so far 7 million bales have been sold for export by CCC. But the fact that title I agreements were outstanding on August 1, 1956, for the movement of about 1.2 million bales of cotton gave considerable strength to the market. Traders could buy with confidence that in addition to improved dollar markets mainly in Europe, cotton purchased could be moved in large volume to title I countries which in most cases are short of foreign exchange. This year it appears that exports under the title I program may be as high as 1½ million bales. And much of this is going to countries like India, Spain, Indonesia, Burma, and Pakistan whose purchases of cotton from us would otherwise be severely limited because of foreign exchange difficulties.

WHY THE TITLE I, PUBLIC LAW 480, EXTENSION SHOULD BE LIMITED TO 1 YEAR AND \$1 BILLION

The Department of Agriculture has requested a 1-year extension in the time in which new agreements may be negotiated under title I of Public Law 480, and an increase of \$1 billion in title I funds.

There as general agreement that this disposal program has worked effectively. However, some have suggested that the program should be extended for 2 or 3 years and the funds increased by \$2 or \$3 billion, rather than the limited extension and addition proposed by the Department of Agriculture.

I believe we should support the recommendations of the Department of Agriculture for the following reasons:

First, and additional \$1 billion will permit the same or a larger rate of shipments in 1957-58 as during the current year. This year title I shipments will be about \$700 million. Of the agreements already signed, a balance will remain for shipment in fiscal year 1958 of about \$400 million. The additional \$1 billion will result in new programs totaling about \$650 million at export value. About two-thirds of this amount should be shipped in fiscal year 1958. So it is evident that actual shipments next year will be at least as large as this year.

Second, the rate of new programming at a \$1 billion annual rate compared favorably with the rate of new agreements signed in the past. Some have assumed that the Department of Agriculture's request represents a decrease in the rate of new agreements, since about \$1.4 billion in new agreements have been negotiated since last July 1. We should keep in mind that of this total about \$500 million represents second- and third-year portions of the 3-year agreements with India and Brazil. Thus, the \$1 billion request compares favorably with the programming done during the current year if the fiscal year 1957 and 1958 parts of 3-year agreements are excluded.

Third, a 1-year extension assures that the Congress will take another look at this law during the next session of Con-

gress to decide if it should be extended further or altered. After all, our major aim is to sell our agricultural products for dollars. Public Law 480 was passed as a temporary measure to help move the accumulated surplus into channels which did not have dollars to pay us. We are making progress in whittling down the surplus. I think it is healthful for us to have a periodic review of the progress made in surplus disposal. During this review we can also take a close look at the way in which the disposal tools are being used, and whether any changes should be made.

And fourth, and this is entirely a personal reason, I am happy to support request for an authorization from an agency which says do not give us more money than we request. It is refreshing and most unusual. The people in the Department of Agriculture know this program. If they thought they should use more funds effectively, I am sure they would have asked for more. They have done a good job—let us go along with their recommendation.

HOW TITLE I, PUBLIC LAW 480, FOREIGN CURRENCIES ARE USED

Now, it might be interesting to see just how the foreign currencies are used under Public Law 480.

Commodities are sold under title I of Public Law 480 for foreign currencies. The \$3 billion current authorization will result in payments of approximately \$2 billion. The \$1 billion difference reflects the cost of commodities to the Government under the price support program and the lower world market prices at which commodities are sold for foreign currency.

In round figures, about one-fourth of the \$2 billion total will be used to meet United States expenses abroad. This use will return dollars to the Commodity Credit Corporation. Examples of such use are the construction of United States military bases in Spain and Turkey, and the construction of housing for United States military personnel and their dependents in the United Kingdom. About one-tenth will be given to our allies to strengthen their military forces. These funds are being used in the same way as foreign aid defense support funds, and certainly they cut down on the amount of foreign aid dollars that would otherwise have to be appropriated for this purpose.

I believe that we can make our full commitments to our friendly nations throughout the world for economic support and for defense support through the use of these funds rather than the direct appropriation of United States aid dollars.

About 6 percent of the \$2 billion will be used for a variety of purposes including the purchase of strategic materials for the United States national stockpile; the purchase of goods for other friendly countries; grants for economic development; the international educational exchange program; and for help to American colleges abroad.

Somewhat less than 2 percent of the total will be used by the Department of Agriculture to develop longer-time commercial markets for agricultural com-

modities abroad. This program clearly supplements the regular market development work carried on by the Department. These activities are conducted in cooperation with United States trade associations and they give promise of helping boost commercial exports long after the Public Law 480 program has ended.

The largest part of the currency, over half the total, will be loaned to participating countries for economic development. There is no question that these loans help to reduce the amount that the Congress would otherwise have to appropriate for the foreign-aid program. And certainly it makes sense to use our surpluses as capital to help in the development of other friendly countries. As their economies expand, they will be better commercial customers for our farm products.

I would like to point out that many people have referred to title I as a giveaway program. This is not true. Many of the countries receiving loans of foreign currency under title I are also receiving loans, primarily for the import of American industrial materials, from either the Export-Import Bank or the World Bank. If Public Law 480 loans are not regarded as a sound investment, then none of the loans made directly or indirectly with United States funds are a sound investment to these countries. Furthermore, it should be pointed out that the loans are to be repaid, and as repayments take place, they may be used to meet the dollar expenses of the United States in the participating countries.

I believe, Mr. Speaker, that these funds must be carefully supervised by the appropriate committee of Congress, but I feel it is much better to use the food stocks of the Commodity Credit Corporation, exchanging them for foreign currencies abroad and using this type of program to help our friendly countries.

Mr. BOW. Mr. Speaker, will the gentleman yield?

Mr. LAIRD. I yield to my friend, the gentleman from Ohio.

Mr. BOW. Will the gentleman say what appropriate committee of the Committee on Appropriations handles the international exchange, translations, publications, information, and education funds?

Mr. LAIRD. The committee that it should come under the jurisdiction of, it seems to me, is the Department of State and Justice Subcommittee of the House Appropriations Committee.

Mr. BOW. I agree with the gentleman it should, but I do not believe it does. What committee is now handling the distribution and control of these funds generated by this program in these areas?

Mr. LAIRD. I think the gentleman plans to offer an appropriate amendment to the bill so that there will be proper controls, and I certainly agree that there should be. I intend to support such an amendment which I believe will improve the present law.

Mr. BOW. Does the gentleman agree with me that at this time there is no

committee of the Committee on Appropriations that is policing these funds?

Mr. LAIRD. I think it has been handled very loosely and should be improved, and I believe an appropriate amendment can be inserted to strengthen the control of the use of these funds. I am confident that the administration will follow a policy of using these funds only after receiving budgetary approval of the Appropriations Committees.

Mr. HOSMER. Mr. Speaker, will the gentleman yield?

Mr. LAIRD. I yield to the gentleman from California.

Mr. HOSMER. The portion of the money that goes to foreign assistance, is that a transfer between the foreign aid funds, or is it in addition to the regular foreign aid appropriation?

Mr. LAIRD. The committee, in handling the bill, can appropriate these funds in the foreign aid program.

Mr. HOSMER. In addition to the regular foreign aid program?

Mr. LAIRD. In addition to the regular foreign aid funds. I believe it can be substantially cut down as far as direct appropriation of United States dollars, and that these counterpart funds should be appropriated for that purpose.

Mr. HOSMER. One other question, with respect to the exchange rate that is used when the foreign people purchase; is that an artificial exchange rate, established by foreign governments for their currency, or is it the actual exchange rate as reflected by a free market?

Mr. LAIRD. It is the actual exchange rate. The gentleman understands that the commodities are sold at the world market price. That is the reason there is the difference in the amount of money that has been collected under the program; \$2 billion is available from commodities sold, \$3 billion was transferred in commodities from the Commodity Credit Corporation. The \$1 billion loss reflects the difference between the United States support prices and the world market prices for the commodities.

Mr. VURSELL. Mr. Speaker, will the gentleman yield?

Mr. LAIRD. I yield to the gentleman from Illinois.

Mr. VURSELL. Mr. Speaker, I would like to point out that counterpart funds are being used to pay our own expenses in Turkey, for instance, in the amount of \$51,500,000; in Japan over \$65 million, which money we would otherwise have to spend in dollars. Instead of dollars, counterpart funds are being used.

Mr. ALLEN of Illinois. Mr. Chairman, I yield 4 minutes to the gentleman from Michigan [Mr. HOFFMAN].

(Mr. HOFFMAN asked and was given permission to revise and extend his remarks.)

(Mr. HOFFMAN addressed the Committee. His remarks will appear hereafter in the Appendix.)

Mr. ALLEN of Illinois. Mr. Speaker, I yield 4 minutes to the gentleman from New York [Mr. DORN].

Mr. DORN of New York. Mr. Speaker, I am opposed to this rule. I am opposed to it particularly because under it we will be giving aid to Communist Poland.

How will we be giving aid to Communist Poland? Contained in title 1, Public Law 480, which the bill H. R. 6794 continues, is section 107, which states in part:

That as used in this act "friendly nation" means any country other than (1) the U. S. S. R. or (2) any nation or area dominated or controlled by the foreign government or foreign organization controlling the world Communist movement.

On December 28, 1956, Assistant Secretary Robert C. Hill, of the State Department, wrote to Senator Walter F. George and stated in part as follows:

The Secretary has also determined, on the basis of a careful examination of the Polish situation since October 1956, that Poland is not now dominated or controlled by the U. S. S. R., and accordingly qualifies as a friendly nation within the meaning of section 107 of the Agricultural Trade Development and Assistance Act of 1954, as amended.

He intends to inform the Secretary of Agriculture that Poland is eligible for title I and title III, Public Law 480, transactions.

So that this bill, if passed, will provide agricultural surpluses to Poland.

Senator KNOWLAND, in the other body, stated:

The figures indicate that during the past few years the Soviet Union has drawn out of Poland agricultural resources of the value of approximately 16 billion rubles. At the current rate of exchange—and I realize, of course, that the ruble is overvalued by any legitimate standard—that means about \$4 billion.

In other words, the Soviet Union, as is customary, is stripping its satellite states of their resources. What we are proposing to do is to bolster the Soviet economy and enable it not only to undermine our friends abroad but also neutral nations because we would replenish the stocks of countries behind the Iron Curtain which the Soviet Union is stripping of their resources.

In order to help feed the population within the Soviet Union, it has been necessary for the Kremlin to withdraw foodstuffs from the captive nations for consumption within the Soviet Union. It is impossible to earmark or identify a ton of wheat or a ton of corn or anything else. The commodities are withdrawn from Poland, from Hungary, and from Czechoslovakia and put into the granaries of the Soviet Union. Then, Mr. Khrushchev says:

Our latest 5-year plan on agriculture has been a great success.

Under this program, we would replenish those stocks in the satellite countries. If we did so, there is no assurance that the Soviets would not withdraw what we send in there. There is no assurance that the Soviets would not draw such American stocks for use in the Soviet Union.

The SPEAKER. The time of the gentleman from New York has expired.

(Mr. DORN of New York asked and was given permission to revise and extend his remarks.)

Mr. ALLEN of Illinois. Mr. Speaker, I yield 3 minutes to the gentleman from Illinois [Mr. SPRINGER].

Mr. SPRINGER. Mr. Speaker, I just want to get one thing straight, which I think the Members of the House should be acquainted with. When this bill was

originally introduced, it is true it was in a Republican Congress, in the 83d Congress. But, I may say this was very much a bipartisan arrangement. Let me list the Members of the House who introduced the bills, all of which were identical and which were requested by all three of the farm organizations.

Mr. POAGE, of Texas, introduced one of the bills.

Mr. BURLESON, of Texas, introduced one of the bills.

Mr. JUDD, of Minnesota, introduced one of the bills.

I introduced one.

Mr. HARRISON of Nebraska introduced the fifth one.

These are all identical bills having the same purpose in mind. There was never at any time any intention for this to become a partisan matter. This bill was concurred in unanimously by every Member of the Committee on Agriculture, both Democratic and Republican. May I say, too, this bill was requested when it was introduced and passed, by the American Farm Bureau Federation, the National Grange, and the National Farmers Union. In other words, it was concurred in by all of the farm organizations as being necessary, if we were to dispose of these surpluses overseas. I did want to point that out to the House because I do not think the debate on this bill ought to take out on a partisan or political nature on either side of the aisle.

Mr. VURSELL. Mr. Speaker, will the gentleman yield?

Mr. SPRINGER. I yield.

Mr. VURSELL. The purpose of this bill was to remove farm surpluses. Members on both sides of the House, at least many of them, said it would be better for agriculture if they were all dumped into the sea. This program has served a useful and important purpose. I want to point out one purpose here, which I think is important. In barter alone, under Public Law 480, we have benefited by selling \$229,180,000 worth of farm products for which we have received strategic materials and stockpile materials. That is just exactly the same as cash, because it is on a dollar-cash basis. That is only one of the many benefits of getting rid of surpluses and getting something back for it.

This bill has done more to encourage exports and to help hold up farm prices, and is of more interest to the farmers of this Nation than probably anything else in the agricultural life at the present time.

Mr. SPRINGER. The gentleman is right. I endorse this bill because I think it has all the characteristics which have been described, as far as benefit to the agricultural population of this country generally is concerned.

Mr. FULTON. Mr. Speaker, will the gentleman yield?

Mr. SPRINGER. I yield.

Mr. FULTON. As a member of the Committee on Foreign Affairs, I heartily recommend the passage of this bill, and join with the gentleman in his statement. Ninety-five percent of the population of Poland is Catholic, and has now been able to stand independently and

save the \$600 million that Russia has been taking away from them. So we need an independent Poland.

The SPEAKER. The time of the gentleman from Illinois [Mr. SPRINGER] has expired.

Mr. ALLEN of Illinois. Mr. Speaker, I yield the remainder of the time to the gentleman from Massachusetts [Mr. O'NEILL].

Mr. O'NEILL. Mr. Speaker, I simply want to clarify myself. A portion of this act Public Law 480 is very loosely drawn, I believe. There are certain nations of the world who would buy commodities in the world market, and are now getting it under the Surplus Commodity Act. They are hurting our program. I do not believe we should allow these foreign funds to stack up in foreign countries the way they are stacking up over there, and only use them as counterpart funds. I do not believe there should be a monopoly, and that we should allow two or three international cartels to handle the operation and the delivery of these goods. But I believe there is a lot of merit to the bill. For example, the Fulbright scholarships come under this bill. There are distressed areas in the Nation; the miners of West Virginia and Pennsylvania have benefited by the results of this bill in the past, and other sections of the country who have been economically hurt. For that reason I advocate the passage of this rule, and I hope that after the rule is adopted there will be amendments offered that will tighten up this act.

Mr. Speaker, I move the previous question.

The previous question was ordered.

The SPEAKER. The question is on the resolution.

The resolution was agreed to.

A motion to reconsider was laid on the table.

Mr. COOLEY. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H. R. 6974) to extend the Agricultural Trade Development and Assistance Act of 1954, and for other purposes.

The motion was agreed to.

Accordingly the House resolved itself into the Committee of the Whole House on the State of the Union for the consideration of the bill H. R. 6974, with Mr. HAYS of Arkansas in the chair.

The Clerk read the title of the bill.

By unanimous consent, the first reading of the bill was dispensed with.

The CHAIRMAN. Under the rule, the gentleman from North Carolina [Mr. COOLEY] will be recognized for 1 hour, and the gentleman from Minnesota [Mr. AUGUST H. ANDRESEN] will be recognized for 1 hour.

The CHAIR recognizes the gentleman from North Carolina [Mr. COOLEY].

Mr. COOLEY. Mr. Chairman, I yield myself 15 minutes.

Mr. Chairman, I think at the outset I should make it perfectly clear that this is not an authorization bill; it is not an appropriation bill, but it is a bill that authorizes the sale of property that is now already owned by the United States

Government, and the bill in effect is a limitation upon the sale of the property referred to in the measure. We know the property that I mentioned consists of agricultural surplus commodities.

I want to congratulate, Mr. Chairman, the gentleman from Massachusetts [Mr. O'NEILL] for the splendid manner in which he has presented the rule to the House. I think he demonstrated that he had a thorough knowledge of all the pertinent facts and circumstances involved, and that he was impressed with the importance of the subject with which we are dealing.

It is true that the bill authorizes the sale of an additional \$1 billion under title I, which is the title authorizing sales for foreign currency. There is also an additional \$300 million under the donation provisions of the law, title II.

Mr. WHITTEN. Mr. Chairman, will the gentleman yield for a question?

Mr. COOLEY. I yield for a question; yes.

Mr. WHITTEN. In times past I have been very much disturbed by the operations of this bill because, unfortunately, it was used in substitution for sales through normal channels. I ask the gentleman as chairman of the Committee on Agriculture if it is not correct that he and his committee feel that the provisions of this bill should be used in addition to regular sales through normal channels and certainly not be used in substitution of sales through regular channels?

Mr. COOLEY. I am sure my friend knows that that is exactly what is contemplated by the law; it is what the law itself provides, that donations cannot be made, and sales transactions cannot be made in a manner which will disrupt the normal channels of commerce.

Mr. WHITTEN. I appreciate the gentleman's statement. I wanted that in the RECORD. I wanted to point out that my opposition arose 2 years ago at a time when the Secretary refused to offer United States commodities in world trade through normal channels. I call attention to the discussions we had in the consideration of this bill. I certainly do not wish to return to that and I think it perhaps good to let the RECORD be clear here as to the stand of the gentleman and his committee.

Mr. COOLEY. I have just talked with one of the officials of the Department of Agriculture today, and he assured me that it was the purpose of the Department of Agriculture to protect the normal channels of trade and to sell for dollars wherever it was possible to sell for dollars these agricultural commodities which are now in surplus supply.

The purpose of this program has been to expand foreign trade in agricultural commodities. The bill was presented to the committee and reported by the committee I think unanimously. There was one controversial section in the bill which came up from the executive branch and that was the section which removed the restriction now in the law prohibiting barter with Iron Curtain countries. That subject was very con-

troversial in our committee and the committee decided to not insert that section. I had already deleted it before introducing the bill sent up by Secretary Benson. I thought when we did that we would eliminate all possible controversy and avoid a fight on this measure.

Mr. DORN of New York. Mr. Chairman, will the gentleman yield?

Mr. COOLEY. I yield to the gentleman from New York.

Mr. DORN of New York. I appreciate the gentleman yielding. Does not this bill as it stands enable the Executive to give aid to Poland, to sell agricultural surpluses to Poland?

Mr. COOLEY. I wanted to ask the gentleman a moment ago if he was not reading from a communication signed by an official of the State Department. That is what I wanted to ask.

Mr. DORN of New York. That is right.

Mr. COOLEY. In that communication it was clearly indicated that the State Department had decided that Poland was no longer an unfriendly nation but, on the contrary, was a friendly nation, which means that because of the interpretation placed upon the Polish situation by the officials of the State Department, they are now negotiating with Poland for a considerable volume of these surplus commodities.

Mr. DORN of New York. That is the reason I cannot support this bill.

Mr. COOLEY. The gentleman did not support the rule. Now he is called upon to support the bill or not support the bill, but even if we stop where we are, even if this bill is recommitted or defeated, you are not going to stop the negotiations which you are now complaining about unless you can get the officials of the State Department to reverse their decision. I do not want to delegate to myself the authority to define friendly and unfriendly nations. I do not believe any Member of Congress is as well prepared or is as well fortified to make those important decisions as are the officials of the State Department who have at their disposal all of the classified information and all of the data that bear upon the subject.

Mr. DORN of New York. The gentleman means that Congress has not got sufficient intelligence or has not sufficient information to make the decision?

Mr. COOLEY. I think we have the intelligence but perhaps we do not have all of the information and I do not delegate to myself the right to make the decision.

Mr. DORN of New York. Does not the gentleman think that Congress should have the information, and it is available, too. It shows that the head of Poland at the present time is an atheist Communist, that Poland is completely under the domination of Russia. We as an intelligent body should prevent the Executive from doing what you think is proper from the knowledge that we have.

Mr. COOLEY. Suppose in the coming autumn when the Congress is not in session they establish a very democratic government in Poland that needed assistance. We would have to call a special session of Congress to pass upon the

question as to whether or not we would come to the aid of that country.

Mr. DORN of New York. It is not a matter that is coming up in September. It is that fact that at the present time, without any question, Poland is a Communist nation and we are aiding Poland.

Mr. COOLEY. Why does not the gentleman take that up with his own President?

Mr. DORN of New York. I am taking it up with the Members of this Congress right now who have the power to vote and should vote.

Mr. COOLEY. The gentleman wants this House today to say that Poland is an unfriendly nation.

Mr. DORN of New York. I want this House to say today that we should not give any aid or comfort to Poland, a nation dominated by the U. S. S. R. That is what I want this House to say today.

Mr. COOLEY. Will the gentleman let me answer? I will not yield further, Mr. Chairman. The gentleman saw I was trying to make an observation, and he took the words out of my mouth. He is trying to make a speech on my time. I am going to make my speech in my own way, and I am going to say this. I am saying we have no right to put the proposition up to this House as to whether or not you want this Congress to repudiate here on the floor of the House today the decision that you read here a moment ago which was rendered by the officials of the Department of this Government who are charged with our foreign policy, and I, for one, on that issue, am not willing to even repudiate Mr. Dulles or Mr. Eisenhower in that regard until I have more information than I now have.

Mr. DORN of New York. The gentleman just a few minutes ago said something like this.

Mr. COOLEY. I am not yielding further, Mr. Chairman.

Mr. FULTON. Mr. Chairman, will the gentleman yield?

Mr. COOLEY. I yield to the gentleman from Pennsylvania.

Mr. FULTON. I believe you are correct in your statement that the question concerning the government of a foreign country is a matter of foreign policy which under the Constitution decided by the President and the Secretary of State. Likewise the decision is in conformity with the provision under this statute which has been passed by the Congress which authorizes this decision to be made. It has been legally made by the President that Poland is a friendly country by the highest foreign policy authority of the United States, the President.

Secondly, on this comment by the gentleman from New York that Poland is now a completely dominated Communist nation, dominated by Soviet Russia; I believe from my knowledge of the facts as a Member of the House Foreign Affairs Committee, that is not correct.

As a matter of fact, since the events that took place last October in Poland, Poland has been able economically to stand up and take a bargaining position with Russia and say that she will not

sell Russia any more coal at 90 percent below world market prices, and that Russia must now give Poland equivalent value of products based on the world market prices. So, this means that Poland will save approximately \$600 million in the next few years by her ability to stand up. So, by this bill we are really sustaining Poland's independent position in her dealings with other Communist nations.

May I further say that the agencies of the Catholic Church recommended their members in Poland to support the election by Gomulko and Cardinal Wyszynski has been released by the present government. Ninety-five percent of the fine Polish people are Catholics to this day, and freedom of religion has been restored in Poland. While I am an American, I admire the good Polish people for standing up for their faith and, God bless them, we in America ought to help them when they are without food and clothing in these difficult times. We have no better friends through the years than the Polish people.

Mr. COOLEY. Does not the gentleman agree with me that if we put a prohibition in here now in this bill which would stop the negotiations with the Polish representatives, that we, in effect, would be repudiating the foreign policy of this administration?

Mr. FULTON. That is exactly right. And, may I say further that a prohibition in this bill will not stop the negotiations, because already in past statutes now on the records there have been grants authorized which can, under present legislation, be given. Likewise, under our United States Government financial institutions like the Export-Import Bank, there can be loans made which will accomplish the same purpose. I firmly believe the gentleman is right.

The Polish issue should not be fought in this bill, which simply provides a continuation of the means of keeping the Polish people from starving to death, giving them fats, oils, grains, and cotton to use for clothing. I do not believe the American people will or have come to the time when we should use as a method of foreign policy the art of starving people. I believe that whether you are a child or an adult and you need help against starvation and disease, whether you are before or behind the Iron Curtain, we have a duty to perform as citizens of a nation of high principles.

Mr. COOLEY. Does not the gentleman agree if we should defeat this law that we might be cutting off relief where it is most needed and will do the most good? Our aid to our own needy people in the United States is under our permanent law now by action of Congress last year, rather than the extension of Public Law 480 now under debate.

Mr. FULTON. But if this bill is defeated, it will mean additional money will be necessary for the United States foreign aid program. If we do not well dispose of our surplus United States agricultural commodities, it will hurt our United States farmers. It will likewise continue the storage costs of commodities that are being held by the Commod-

ity Credit Corporation. So, of course, we should make proper disposals of surplus commodities both for our own people at home and likewise for the friendly people who are so near starvation in Poland. We should not destroy the faith the average people of Poland have in us, nor lose their basic historic friendship to the United States.

Mr. BENTLEY. Mr. Chairman, will the gentleman yield?

Mr. COOLEY. I yield to the gentleman from Michigan.

Mr. BENTLEY. It is not my intention at this time to discuss this question of aid to Poland. I expect to do that a little later. But, I would like to clarify one thing, if I may. Am I correct that when last December the State Department found that Poland was not a country dominated by international communism, it therefore fell into the category of a friendly nation which qualified it for assistance under Public Law 480 and permitted the undertaking of negotiations in February?

Mr. COOLEY. I am sure the gentleman is correct in his statement. As to whether or not I would have made the same finding, I am not in a position to say. But likewise I am not in a position to criticize that decision because I am lacking woefully in the accurate information concerning it. I think this House should hesitate before we fly right in the face of our own foreign policy by saying to Mr. Eisenhower, to Mr. Dulles and to the rest of them that they may not go further with their negotiations.

Mr. BENTLEY. Inasmuch as I happen to have had the good fortune to visit Poland briefly only about 6 weeks ago, I hope to contribute a little bit to the understanding of this situation later on.

Mr. BELCHER. Mr. Chairman, will the gentleman yield?

Mr. COOLEY. I yield to the gentleman.

Mr. BELCHER. If we on the floor of this House were to attempt to make a determination of who are the friendly or unfriendly nations of the world, would we not have to go into the background of every nation, and not just pick out Poland?

Mr. COOLEY. We would.

Mr. BELCHER. We might disagree with the State Department as to their decision concerning a great many nations. So if we are to pick out one nation, we would have to take all of them.

Mr. COOLEY. Certainly, and that would be the case whether it was Yugoslavia or Vietnam, and there would be no end to it.

Mr. BELCHER. Not only that, but conditions are changing constantly in these various nations.

Mr. COOLEY. And they may change soon after we adjourn, when we would be in recess and we would find ourselves greatly embarrassed because we had restricted the executive branch.

Mrs. SULLIVAN. Mr. Chairman, will the gentleman yield for a question?

Mr. COOLEY. I yield to the lady.

Mrs. SULLIVAN. The gentleman said that this bill takes care of our own needy people. Would the gentleman explain

how the bill takes care of our own needy people in this country?

Mr. COOLEY. Under amendments embodied in Public Law 480, these surplus commodities are made available to charitable organizations and needy people in this country.

Mr. POAGE. Mr. Chairman, would the gentleman yield to me to answer the question the gentlewoman asked?

Mr. COOLEY. I yield to the gentleman.

Mr. POAGE. The lady will remember that about a year ago the Committee on Agriculture brought into this House, at the request of the gentleman from West Virginia and under the authorship of the gentleman from Virginia [Mr. JENNINGS], a bill specifically to allow the grinding of wheat and of corn and the providing of packaged food under the terms of this bill. That is a domestic relief program and it is an amendment to Public Law 480.

Mrs. SULLIVAN. Is that under title I or title II or title III?

Mr. COOLEY. It is in the general provisions under title III.

Mrs. SULLIVAN. I just wanted to know if it affected anything under title III—that is, this bill we are working on right now.

Mr. COOLEY. No; it does not.

Mrs. SULLIVAN. It was my understanding from the reading of the bill that it would just affect the distribution of food to foreign countries. I did not know that it affected anyone in our own country.

Mr. COOLEY. The lady is right. This is a bill "to extend the Agricultural Trade Development and Assistance Act of 1954, and for other purposes," but the provisions of law to which she refers are permanent amendments to the Agricultural Act of 1949 made by title III of Public Law 480 and are not affected by this bill. They have no termination date. The purpose of this bill is to extend the authority of the act and to raise the limitations upon the sale and barter and the foreign donation of these commodities.

Mrs. SULLIVAN. So it does affect only titles I and II?

Mr. COOLEY. Yes.

Mrs. SULLIVAN. I thank the gentleman.

Mr. FULTON. Mr. Chairman, will the gentleman yield?

Mr. COOLEY. I yield to the gentleman.

Mr. FULTON. May I say to the gentlewoman that the currently proposed negotiations now pending with Poland do not refer to title III. Title III of the bill refers to barter. The proposals are with respect to sale to the Polish people for their own Polish currency.

Mrs. SULLIVAN. I was not interested in the point as to whether Poland should or should not get it. When the gentleman mentioned it was to help take care of our own needy people here in the United States, it was not my understanding that was involved in the bill.

Mr. FULTON. If the gentlelady will yield, I want to answer that the original distribution of surplus United States

food to needy persons in the United States was originally authorized under the Agricultural Act of 1949, but the present method of distribution was changed in Public Law 480. It is now in the permanent law so this extension of Public Law 480 would not directly affect United States surplus distribution.

Mr. BOW. Mr. Chairman, will the gentleman yield?

Mr. COOLEY. I yield to the gentleman from Ohio.

Mr. BOW. Can the gentleman tell us whether there is any representation allowed for our entertainment allowance in this bill? Are the funds used for that purpose abroad?

Mr. COOLEY. Not in this particular bill, as I understand it. I am quite certain that under the provisions of the Agricultural Trade Development and Assistance Act of 1954 some counterpart funds could be used for that purpose, if they were meeting American obligations abroad.

Mr. BOW. Does the gentleman have the amount of representation allowances and the amount used for entertainment purposes?

Mr. COOLEY. No, I do not.

Mr. FULTON. If the gentleman will yield again, when these funds are obtained as counterpart funds there nevertheless now under the currently involved statutes must in major categories be a specific appropriation. We are not really debating the particular items that these funds will be appropriated and used for here; that will come generally under the appropriation bill procedures.

Mr. COOLEY. No. The gentleman has in mind the possibility of using some of these counterpart funds for entertainment purposes. As such, I have no information regarding that particular subject, but I am quite certain that these funds could be used to pay American obligations in foreign countries, and might, therefore, be used as the gentleman suggests if the incurring of such an obligation were otherwise authorized.

Mr. FULTON. Only by a specific appropriation in major matters such as military, and so forth, or payment of United States obligations, but there are exceptions in certain categories, and where the President waives the requirement by deciding it is necessary.

Mr. BOW. I believe the gentleman from Pennsylvania is in error. This bill when originally passed specifically waived section 1415, or the Rabaut amendment to the Appropriation Act, which does take all of these funds away from specific appropriations, so they are no longer appropriated, as the gentleman said.

Mr. COOLEY. May I say it is my understanding that perhaps in some instances you do have to have specific authorizations, but certainly you would not in all circumstances. I know that these funds could be used, for instance, for the purpose of paying traveling expenses for Congressmen away from here on official business. I have personally never used a dime of any counterpart funds, but I do not see anything wrong in using counterpart funds to pay the

expenses of a Congressman if he is traveling on official business for his Government.

I regret that that is a very poor answer I have given the gentleman and I will try to obtain the information to ascertain if any part of the counterpart funds have been used for official entertainment.

Mr. BOW. I thank the gentleman.

Mr. JENSEN. Mr. Chairman, will the gentleman yield?

Mr. COOLEY. I yield to the gentleman from Iowa.

Mr. JENSEN. On the first page of the committee report appears this paragraph:

Title II originally authorized the expenditure of not more than \$300 million for foreign donation programs. This was later increased to \$500 million and this bill would again increase this amount to a total of \$800 million.

Does any of this money come back to this fund in any way, shape or form? Further, why does the committee feel it necessary to increase this fund from \$500 million to \$800 million?

Mr. COOLEY. In the first place, the larger part of the first \$500 million has been spent. My recollection is that about \$300 million has been spent. We are now increasing the amount to the original \$500 million.

Mr. JENSEN. No, you are increasing it to \$800 million, from \$500 million to \$800 million.

Mr. COOLEY. That is right.

Mr. JENSEN. That is what the report says.

Mr. COOLEY. That is right, but it merely restores the amount available to the President to about \$500 million.

Mr. JENSEN. Does this mean that the American taxpayers are going to have to foot this bill for \$300 million more annually or for the next year?

Mr. COOLEY. Out of agricultural surplus commodities that we have on hand, yes.

Mr. POAGE. Mr. Chairman, will the gentleman yield?

Mr. COOLEY. I yield.

Mr. POAGE. We have already bought these agricultural commodities. They are the property of the United States Government today. We have no market for them in the normal channels of trade. The question before us now is—are we going to continue to hold them at a rather substantial cost to the Government every month and every year with no prospect of a favorable market developing at any time in the foreseeable future or are we going to sell them in those places where we can do so without interfering with the normal channels of trade, as is required under the act, and get for them foreign currencies where we cannot get American dollars? That is really all that is involved. It is not a matter of appropriating an additional \$300 million. It is simply an authorization to use these commodities for which we have already paid \$300 million to the extent of \$300 million worth of commodities. We do not put up an additional \$300 million until such time as the gentleman and his committee and the Committee on Appropriations must make an

appropriation to restore the capital stock of the Commodity Credit Corporation, and I think you will have less to restore if we move these commodities out now than you will if we keep them in storage next year.

Mr. JENSEN. All right, I appreciate the gentleman's answer to my inquiry. So, in fact, the facts are that this is not an expenditure of funds, but simply an authorization of \$300 million worth of more commodities that we already have to be distributed in the manner in which it is proper to distribute them normally in the distribution program.

I thank the gentleman.

Mr. OSTERTAG. Mr. Chairman, will the gentleman yield?

Mr. COOLEY. I yield.

Mr. OSTERTAG. I just want to make clear one point as to title II about which the gentleman from Iowa has been talking that that is strictly a donation or giveaway program, and that there is no return to the Treasury as a result of it.

Mr. COOLEY. That is right.

Mr. HARRISON of Virginia. Mr. Chairman, will the gentleman yield?

Mr. COOLEY. I yield.

Mr. HARRISON of Virginia. I would like to inquire about the commodities that are included. I have read the report of the committee in connection with this bill. It is certainly very clearly the intent of the Congress to cover any agricultural product in surplus supply including poultry or anything else, and whether it is a basic crop or not. So that that intent will be clear to the administrators of the law and to make certain that the poultry sales program which commenced in Germany last year under this act will continue through the fiscal year 1958, I would like to ask the gentleman whether this measure does provide for the continuance of that program in Germany, and the sale of poultry products under this law to any friendly country where a market can be found.

Mr. COOLEY. I say to my friend, the gentleman from Virginia, my interpretation of the law is that the program should be continued. I believe I reflect the views of the committee when I say that the program should be continued, and I believe the Department of Agriculture will continue it. I have been assured by officials of the Department of Agriculture that they will carry on this program and it seems to me that they have an opportunity here to carry on a transaction under Public Law 480 which will pay substantial dividends not only by making available a foreign currency for which we will get full dollar value but in establishing a consumer demand and a market for American products that will result in profitable dollar trade in the future.

(Mr. HARRISON of Virginia asked and was given permission to extend his remarks at this point in the Record.)

Mr. HARRISON of Virginia. Mr. Chairman, I want to go on record in supporting the views of the committee as expressed in its report that greater emphasis be placed on the development of new commercial markets for surplus agricultural products for which market opportunities appear to exist.

Public Law 480 should certainly be extended. It provides a unique opportunity to develop new markets for United States agricultural products which are in surplus supply and thereby strengthen our domestic economy. If we are to take full advantage of this opportunity it is important that poultry, as well as other surplus agricultural products, be programed for sale under this extended authority. Poultry is the third largest producer of cash farm income. It is now in surplus supply and poultry farmers are in a distressed condition. A great market potential has been demonstrated to exist for poultry in Germany, Italy, and a number of other countries. Yet to date the poultry programed has amounted to only three hundredths of 1 percent of the total value of all commodities programed under the act. This is not commensurate with the importance and value of poultry to our farm and national economy. It is one of our most important farm crops. It also serves as the principal outlet for all of our commercial feedstuffs. Every pound of poultry meat exported is the equivalent of exporting 4 pounds of grain. The per capita consumption of poultry abroad is very low, amounting to only a few pounds per person as compared to our own consumption of about 30 pounds per person. If per capita consumption abroad can be increased only slightly, say one pound per person, the market which would be opened up would be very substantial. There is every reason to believe that this can be done. We have succeeded in doubling the per capita consumption of poultry in the United States in recent years, during which time there has been an abundance of other foods also available to the general public. The German and Italian trade who have had limited opportunity to acquaint themselves with United States poultry have evidenced a willingness to invest their money to purchase, handle, and merchandise United States poultry, in the belief that a substantial market exists which can be developed. We should capitalize on this opportunity.

I want to commend the chairman of the Committee on Agriculture for his clear statement that poultry products as well as other surplus agricultural products will be given full opportunity to find and develop new markets under the authority of this act and that the poultry program for Germany will be continued. The program to date has shown that a substantial market exists which can be developed. But it can only be developed through a program which guarantees the shipment of high-quality product together with effective promotion to acquaint the German consumer with the values of high-quality ready-to-cook United States poultry.

The poultry industry of the United States in cooperation with the Department of Agriculture is presently carrying out a poultry market development program in Germany. During this market developmental stage it is essential that shipments be continued under Public Law 480 so that the German consumer can be made fully acquainted with the

advantages of the new type, high-quality, ready-to-cook United States poultry. The continuation of the program is also essential to assure the German trade which must invest and carry stocks of poultry that low-priced undergrades will not be shipped. These assurances can only be given under Public Law 480. Once this market development work has been carried out, it will be possible to seek dollar liberalization and complete free trade for poultry products for which a German market will have been established.

[Mr. HILL addressed the Committee. His remarks will appear hereafter in the Appendix.]

(Mr. HILL asked and was given permission to revise and extend his remarks.)

Mr. COOLEY. Mr. Chairman, I yield such time as he may desire to the gentleman from Illinois [Mr. GORDON].

Mr. GORDON. Mr. Chairman, I wish to support this legislation. Among the many reasons for my support is that this measure will enable the United States to furnish much-needed assistance to the Polish people in their struggle to become free and independent.

Under Gomulka we have seen the Polish people begin to progress away from domination by the Soviet tyrants and toward achievement of a free and independent Poland. Anything we can do to assist in the achievement of this goal will be valuable to the United States. When we assist another nation in achieving independence from the Soviet Union we are in effect assisting the United States. To the degree that Poland can become independent of complete dependence on the Soviet Union economically and politically we are working for the national interest of the United States. Not only are we helping Poland to become free but we are setting an example for the other satellites.

It is my understanding that the executive branch has already determined that no change is necessary in existing law to permit the sale of agricultural surpluses to Poland. Title II of Public Law 480 already permits the gift of such surpluses. Therefore, it is not necessary to amend this bill for that purpose.

I hope, and I am sure, that some of the surpluses authorized to be disposed of by this bill will be used to assist Poland in her struggle. I support that purpose.

Mr. COOLEY. Mr. Chairman, I yield such time as he may desire to the gentleman from Chicago, [Mr. KLUCZYNSKI].

Mr. KLUCZYNSKI. Mr. Chairman, I take this time to speak out of order to invite all Members of this august body, ladies and gentlemen, Democrats and Republicans, to come to Chicago in the early days of October, the 1st, 2d, 3d, and 4th, for the purpose of attending the World Series with the Chicago White Sox.

Mr. BOLAND. I want to compliment the gentleman for his generous invitation. Let me say also I compliment him specifically for his warm enthusiasm for the White Sox. It so happens that this

is only the 40th game, completed yesterday. There are 114 games to go.

May I ask you whether the invitation you gave extends to eating at the Cerino Restaurant on Chicago Avenue?

Mr. KLUCZYNSKI. Oh, it certainly does. They can go and eat all they want.

Mr. BOLAND. Is it on the house?

Mr. KLUCZYNSKI. Oh, no. You have to pay.

Mr. BYRNE of Illinois. I would like to associate myself with the gentlemen's remarks. I cannot think of a greater ball club to win the pennant than the Chicago White Sox. If the National League should win the pennant, I would like to see them go to Milwaukee.

Mr. BOLAND. Was it not last year that the White Sox were on top at this stage, and when the end of the season came they were last?

Mr. KLUCZYNSKI. Oh, no. Last year we were five games behind at this time. Right now we are five games ahead. We are going to win the championship.

The CHAIRMAN. The time of the gentleman has expired.

Mr. COOLEY. I move that the Committee do now rise.

The motion was agreed to.

Accordingly the Committee rose, and the Speaker having resumed the Chair, Mr. HAYS of Arkansas, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill (H. R. 6974) to extend the Agricultural Trade Development and Assistance Act of 1954, and for other purposes, had come to no resolution thereon.

BILATERAL AIR TRANSPORT AGREEMENT WITH GERMANY

(Mr. BOW asked and was granted permission to extend his remarks at this point in the RECORD.)

Mr. BOW. Mr. Speaker, ever since the negotiation by the United States in 1955 of the bilateral air transport agreement with Germany, the subject of the policy of the Department of State in the negotiation of these air agreements has been of increasing concern to the interested committees and individuals in Congress.

We have reason to be proud of our United States-flag air transport system, and of the marked progress which it has made over the years in becoming free of subsidy. This subsidy-free status, however, is not one which can be achieved and maintained in the face of foreign air route grants by the Department of State taken in total disregard of the economics of international air transport.

In the domestic field, careful consideration is given by the Civil Aeronautics Board to the award of competitive services. Similar considerations must be taken into account in the grant of routes to foreign countries. We must have a policy which results in sensible, controlled regulation of entry into the United States market. We cannot have one which results in every country in the world operating an airline to the United States.

It is for these and other reasons that I hope the Department of State will deny the request which I understand the Government of Australia has made for an extension of its route beyond San Francisco to New York and on to London and around the world. This is a service which is not economically needed. To grant such a route to the Australians would destroy the equity of the present route exchange between the two countries, and would result in a decided imbalance in favor of Australia. It would be wrong to grant this route to Australia, and I trust the Department of State will not permit it to be done.

HELLS CANYON DAM

(Mrs. GREEN of Oregon asked and was granted permission to extend her remarks at this point in the RECORD.)

Mrs. GREEN of Oregon. Mr. Speaker, due in great measure to the yeoman work of the distinguished senior Senator from my own State—Senator WAYNE MORSE—the American public is becoming increasingly aware of the exact meaning of the term "fast tax writeoff" as applied to the Idaho Power Co.'s proposal for the inadequate development of the Snake River as a sham substitute for the high Hells Canyon Dam. We who have been fighting the battle for the proper development of Oregon's great natural resources have in recent weeks been highly criticized because of our estimate that this fast tax writeoff to the Idaho Power Co. amounted to an interest-free loan of \$329 million. We were told that our figures were wrong.

The figures were wrong. We underestimated the size of this loan by the taxpayers to the Idaho Power Co. by some \$10 million based on figures supplied only the other day to the Kefauver Committee by the Federal Power Commission's own chief accountant. The total of the interest-free loan is not \$329 million, but rather \$339 million.

With this in mind, Mr. Speaker, I ask unanimous consent that there be printed in the CONGRESSIONAL RECORD House Joint Memorial No. 18, passed by the Oregon State Legislature, memorializing the President of the United States to reconsider and to deny or substantially reduce the fast tax writeoff granted to the Idaho Power Co.

House Joint Memorial 18

To His Excellency, the Honorable President of the United States, and to the Honorable Senate and the House of Representatives of the United States of America, in Congress assembled:

We, your memorialists, the 49th Legislative Assembly of the State of Oregon, in legislative session assembled, most respectfully represent as follows:

Whereas Idaho Power Co. has been allowed an acceleration of depreciation on a major part of the construction costs to be expended for dams in Hells Canyon; and

Whereas such allowance was made under a 1951 act passed during the Korean war, in the interest of national security; and

Whereas Idaho Power Co. is able to finance expansion without this type of Government assistance, which assistance results in an increased burden on other taxpayers; and

Whereas the benefits accruing to the company will not in turn ultimately accrue to

Digest of CONGRESSIONAL PROCEEDINGS

OF INTEREST TO THE DEPARTMENT OF AGRICULTURE

OFFICE OF BUDGET AND FINANCE
(For Department Staff Only)

Issued June 5, 1957
For actions of June 4, 1957
85th-1st, No. 95

CONTENTS

Appropriations.....1	Foreign aid.....7	Research.....2
Budget.....11,12	Lands.....2,16	School bank.....9,14
Census.....14,18	Monopoly.....6	Surplus disposal.....1
Corn.....9	Patents.....15	Taxation.....13
Electrification.....4,13	Postal service.....17	Trade, foreign.....1,8
Farm program.....14	Public Law 480.....1	Wheat.....10
Federal aid.....12	Reclamation.....4	Wool textiles.....3
Flood insurance.....5		

HIGHLIGHTS: House debated bill to extend Public Law 480. House committee ordered reported bill to convey USDA research land to Univ. of Missouri.

HOUSE

1. FOREIGN TRADE; SURPLUS DISPOSAL. Continued debate on H.R. 6974, to extend the Agricultural Trade Development and Assistance Act of 1954 (Public Law 480) for one year, to increase the authorization under Title I from \$3 billion to \$4 billion, and to authorize \$300 million additional under Title II for famine relief. pp. 7398-7430, A4322, A4323-27

Agreed, 103 to 45, to an amendment by Rep. Whitten, as a substitute to an amendment by Rep. Rooney, to provide that within 60 days after any agreement is entered into for the use of any foreign currencies, a full report thereon shall be made to the Senate and the House and to the Committees on Agriculture and Appropriations. The amendment by Rep. Rooney would have provided that foreign funds accumulated under the program could be expended only as provided for in appropriation acts. pp. 7410-21

Rejected an amendment by Rep. Whitten to provide that no commodity of which the CCC owns a supply shall be eligible for sale to foreign countries under the provisions of the Act, unless such commodity is being offered for sale in foreign trade through normal trade channels at competitive prices for dollars. pp. 7421-30

An amendment by Rep. Cooley, to provide that up to 25 percent of foreign currencies received may be used by U.S. business firms in the countries in which received for developing markets for U.S. agricultural products, was ruled out on a point of order by Rep. Taber. p. 7410

Pending at the conclusion of debate was a point of order by Rep. Rooney against the entire bill on the ground that it is a bill from a committee not having authority to report an appropriation (p. 7430). The "Daily Digest" states that "Mr. Cooley announced that he would request a rule from the Rules Committee waiving points of order against the bill" (p. D486).

2. LANDS; RESEARCH. The Agriculture Committee ordered reported S. 1034, to transfer the Midwest Claypan Research Station to the Univ. of Mo.; and H.R. 7520, to authorize the sale to the village of Central, N. Mex., certain lands formerly a part of the Fort Bayard Military reservation. p. D486
3. WOOL TEXTILES. Rep. Philbin urged restrictions on the importation of foreign woolen textiles. pp. 7430-31
4. ELECTRIFICATION; RECLAMATION. Received from Interior a report on negotiations with prospective purchasers of the falling water to be produced by the Trinity River division of the Central Valley project. p. 7439
5. FLOOD INSURANCE. Rep. Hoeven presented a local Chamber of Commerce petition urging Congress to appropriate sufficient funds for the operation of a Federal flood insurance program. p. 7440

ITEMS IN APPENDIX

6. MONOPOLY. Rep. Marshall inserted a speech, "Federal Government Promotes Growth of Monopoly," by a Michigan State Univ. economics professor. pp. A4293-5
7. FOREIGN AID. Rep. Lennon inserted an editorial questioning the value of foreign aid. p. A4296
Rep. Corbett inserted a resolution from the Polish Roman Catholic Union urging economic and technical assistance for Poland. p. A4302
Rep. Burdick inserted an article, "The President's Case Against Foreign Aid," alleging that allies needing aid were too weak to aid in the defense of the U.S.. p. A4317
Rep. Smith, Wis., inserted excerpts from Washington's farewell address chosen as comment on the Middle East policy of the U.S. pp. A4321-2
8. FOREIGN TRADE. Extension of remarks of Rep. Dague criticizing Great Britain's action in extending their trade with Communist China, and inserting a column, "Britain's China Action Hurts U.N." pp. A4313-14
9. CORN. Rep. Coad inserted a constituent's plan for a 51-million-acre corn base program by taking 20% of the cropland into the soil bank at reduced prices but allowing the farmer to pick the land banked. pp. A4299-300
10. WHEAT. Rep. Breeding inserted a resolution from a Farmers' Union in Kansas urging that the wheat support price be raised to \$2 a bushel. p. A4300
Rep. Breeding inserted letters protesting against the administration of the surplus food relief program, accused of taking work away from small flour mills and allowing such relief flour to pre-empt the local markets. pp. A4306-7



Congressional Record

United States
of America

PROCEEDINGS AND DEBATES OF THE 85th CONGRESS, FIRST SESSION

Vol. 103

WASHINGTON, TUESDAY, JUNE 4, 1957

No. 95

Senate

The Senate was not in session today. Its next meeting will be held on Wednesday, June 5, 1957, at 12 o'clock meridian.

House of Representatives

TUESDAY, JUNE 4, 1957

The House met at 12 o'clock noon.

The Chaplain, Rev. Bernard Braskamp, D. D., offered the following prayer:

O Lord, our God, Thou art always gracious and merciful, and dost never withhold from us any needed blessing.

With a humble spirit and a contrite heart, we acknowledge that so often we receive Thy blessings with too little gratitude and use them with too little wisdom.

We pray that Thou wilt continue to bestow upon us the manifold gifts of Thy divine grace, which we so sorely need, as we face the duties and responsibilities of our high vocation.

Grant that governed by Thy divine will and guarded by Thy boundless love and care, we may meet all our most difficult problems with confidence and courage, with patience and perseverance. In Christ's name we pray. Amen.

THE JOURNAL

The Journal of the proceedings of yesterday was read and approved.

MESSAGE FROM THE SENATE

A message from the Senate, by Mr. McBride, one of its clerks, announced that the Senate had passed, with amendments in which the concurrence of the House is requested, a bill of the House of the following title:

H. R. 53. An act to consolidate into one act, and to simplify and make more uniform, the laws administered by the Veterans' Administration relating to compensation, pension, hospitalization, and burial benefits, and to consolidate into one act the laws pertaining to the administration of the laws administered by the Veterans' Administration.

The message also announced that the Senate had passed a bill of the following title, in which the concurrence of the House is requested:

S. 1740. An act to authorize the payment from the employees' life insurance fund of expenses incurred by the Civil Service Commission in assuming and maintaining the assets and liabilities of certain beneficial associations.

The message also announced that the Vice President has appointed Mr. JOHNSTON of South Carolina and Mr. CARLSON members of the joint select committee on the part of the Senate, as provided for in the act of August 5, 1939, entitled "An act to provide for the disposition of certain records of the United States Government," for the disposition of executive papers referred to in the report of the Archivist of the United States numbered 57-12.

LAWS ADMINISTERED BY THE VETERANS' ADMINISTRATION

Mr. DORN of South Carolina. Mr. Speaker, I ask unanimous consent to take from the Speaker's desk the bill (H. R. 53) to consolidate into one act, and to simplify and make more uniform, the laws administered by the Veterans' Administration relating to compensation, pension, hospitalization, and burial benefits, and to consolidate into one act the laws pertaining to the administration of the laws administered by the Veterans' Administration, with Senate amendments thereto, and concur in the Senate amendments.

The Clerk read the title of the bill.

The Clerk read the Senate amendments, as follows:

Page 3, under "Sec. 404." of title IV, insert:

"SEC. 405. Payment of pension during confinement in penal institutions."

Page 27, after line 24, insert:

"The foregoing shall not be applicable to any widow who, with respect to date of marriage, could have qualified as a widow for death compensation under any law adminis-

tered by the Veterans' Administration in effect on the day before the effective date of this act."

Page 47, after line 18, insert:

"PAYMENT OF PENSION DURING CONFINEMENT IN PENAL INSTITUTIONS

"SEC. 405. (a) No pension under public or private laws administered by the Veterans' Administration shall be paid to or for an individual who has been imprisoned in a Federal, State, or local penal institution as a result of conviction of a felony or misdemeanor for any part of the period beginning 61 days after his imprisonment begins and ending when his imprisonment ends.

"(b) Where any veteran is disqualified for pension for any period solely by reason of subsection (a) of this section, the Administrator may apportion and pay to his wife or children the pension which such veteran would receive for that period but for this section.

"(c) Where any widow or child of a veteran is disqualified for pension for any period solely by reason of subsection (a) of this section, the Administrator may (1) if the widow is disqualified, pay to the child, or children, the pension which would be payable if there were no such widow or (2) if a child is disqualified, pay to the widow the pension which would be payable if there were no such child."

Page 52, line 8, after "War", insert "who is on the pension rolls on the day before the effective date of this act under any public law."

Page 53, line 1, after "War", insert "as heretofore defined under public laws administered by the Veterans' Administration."

Page 66, line 14, strike out all after "(e)" down to and including "war" in line 18 and insert: "Any disability of a veteran of the Spanish-American War, upon application for the benefits of this section or outpatient medical services under section 524, shall be considered for the purposes thereof to be a service-connected disability incurred or aggravated in a period of war."

Page 83, line 10, strike out "thereof" and insert "therefor."

Page 89, line 23, strike out "act of 1924" and insert "act, 1924."

Page 109, line 3, strike out "of" and insert "on."

Page 109, line 18, strike out "part" and insert "title."

Page 110, line 6, strike out "part" and insert "title."

Page 112, line 11, strike out "(a)."

Page 112, line 20, strike out "States or Territories" and insert "States, Territories, or Commonwealths."

Page 113, line 2, strike out "States or Territories" and insert "States, Territories, or Commonwealths."

Page 114, strike out lines 4 to 7, inclusive.

Page 125, line 9, strike out "authorzied" and insert "authorized."

Page 130, lines 22 and 23, strike out "(except retired pay, but including emergency officers' retirement pay)."

Page 130, line 24, after "benefits" insert "(except retired pay, but including emergency officers' retirement pay)."

Page 139, line 5, strike out "now."

Page 177, lines 14 and 15, strike out "public or private" and insert "private, State, and other Government."

Page 181, line 19, after "shall" insert "to the extent feasible."

Page 183, line 11, strike out "3" and insert "(3)."

Page 188, line 18, strike out "part" and insert "section."

Page 219, after line 5, insert "(227) The act of April 25, 1957 (Public Law 85-24)."

Page 226, line 2, strike out "or death" and insert "(or death occurring before January 1, 1957)."

Page 226, lines 2 and 3, strike out "veteran occurring before the effective date of this act," and insert "veteran."

The SPEAKER. Is there objection to the request of the gentleman from South Carolina?

There was no objection.

The Senate amendments were concurred in.

A motion to reconsider was laid on the table.

(Mr. DORN of South Carolina asked and was given permission to extend his remarks at this point in the RECORD.)

Mr. DORN of South Carolina. Mr. Speaker, the amendments of the Senate are limited to technical, typographical, or grammatical corrections which do not change the intent, meaning, or effect of the bill as passed by the House. There is one substantive correction made necessary by the enactment of Public Law 85-24, prohibiting the payment of pension to veterans who are incarcerated for periods of 60 days or more. This latter law passed both the House and Senate unanimously.

CALL OF THE HOUSE

Mr. TABER. Mr. Speaker, I make the point of order that a quorum is not present.

The SPEAKER. Evidently a quorum is not present.

Mr. ALBERT. Mr. Speaker, I move a call of the House.

A call of the House was ordered.

The Clerk called the roll, and the following Members failed to answer to their name:

(Roll No. 94)

Beamer	Durham	James
Bowler	Eberharter	Jenkins
Buckley	Engle	Jensen
Celler	Felghan	Judd
Christopher	Fogarty	Kearney
Cole	Halleck	Kilday
Coudert	Healey	McConnell
Dawson, Ill.	Holfield	McCormack
Diggs	Holtzman	McGovern

Miller, Md.
Norrell
O'Brien, N. Y.
O'Konski
Powell

Prouty
Rains
Rivers
Sheehan
Shelley

Siler
Utt
Wigglesworth
Wolverton

The SPEAKER. On this rollcall 385 Members have answered to their names, a quorum.

By unanimous consent, further proceedings under the call were dispensed with.

COMMUNICATION FROM THE PRESIDENT OF THE UNITED STATES

The SPEAKER laid before the House the following communication from the President of the United States, which was read:

THE WHITE HOUSE,
Washington, May 29, 1957.

The Honorable SAM RAYBURN,
Speaker of the House of Representatives,
Washington, D. C.

DEAR MR. SPEAKER: I have been informed by the Secretary of State that the original of House resolution 201, of March 18, 1957, commemorating the untimely death of President Ramon Mag-saysay of the Philippines, and my letter of transmittal were delivered to Carlos P. Garcia, President of the Philippines, on May 21. Mr. Garcia expressed deep appreciation on behalf of the family of the late President, and the Government and people of the Philippines.

Sincerely,

DWIGHT D. EISENHOWER.

AGRICULTURAL TRADE DEVELOPMENT AND ASSISTANCE ACT OF 1954

Mr. COOLEY. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the further consideration of the bill (H. R. 6974) to extend the Agricultural Trade Development and Assistance Act of 1954, and for other purposes.

The motion was agreed to.

Accordingly the House resolved itself into the Committee of the Whole House on the State of the Union for the further consideration of the bill H. R. 6974, with Mr. HAYS of Arkansas in the chair.

The Clerk read the title of the bill.

Mr. COOLEY. Mr. Chairman, I yield 10 minutes to the gentleman from Texas [Mr. POAGE].

Mr. POAGE. Mr. Chairman, the legislation we have before us today is an extension of an act which has been in operation for several years and which has worked remarkably well. It is rather unusual these days that one can come before the House and report that an agricultural program is working very well and to the satisfaction of all sides and to all sections of our country. I think it is quite clear that there has been more general agreement with this program, established under what is commonly known as Public Law 480, and that it has received more general acceptance, than any other of our major agricultural programs.

It attempts to dispose of surpluses. It has nothing to do with the accumu-

lation thereof. Whether we pass it or whether we do not will have nothing to do with the volume commodities coming into the Government warehouses. You can defeat this bill, and you will still have just as much surplus accumulating each year as if you pass the bill. You will still have to do something with the commodities.

This bill gives you a way to dispose of those surpluses, and regardless of what you think about the accumulation of the surpluses, they are there, and you cannot get rid of them just by wishing them away.

Now what can we do? We have tried a good many programs. We have tried a number of disposal methods. We have tried to sell these commodities at 105 percent of the acquisition cost, and in most cases we did not find any takers. We have tried other disposal programs. We subsidize the exportation of wheat at about 80 cents a bushel, and we subsidize the exportation of cotton at about \$70 a bale. Those are rather expensive programs. And more recently we have tried to prevent the accumulation by a soil-bank program which proved even more expensive. But the surpluses are there and they must be disposed of, or we have got to pay even more for keeping them.

A great many years ago we tried destroying some of our commodities, and we found that the public did not believe in that. You do not believe in it and I do not believe in it, and we know we are not going to take that course. Even though it might be the cheapest way in the long run, it is a harsh method and we are not going to resort to it.

So we come to you with a program that for the past 3 years has provided for the disposal of a substantial amount of agricultural commodities. Somebody says, "But look, you are just adding tremendously to the budget. You have \$1.3 billion in this bill." No; we do not have any appropriation whatsoever in this bill. There is no additional expenditure in this bill. This bill simply brings some money into the United States Treasury. The billion-dollar provision under title 1 and the \$300 million provision under title 2 are not authorizations to expend money, but rather they are limitations upon the value of the amount of the commodities that can be disposed of under the program. We have already paid for the commodities. This bill does not make you pay for them a second time. There seems to be considerable misunderstanding in that respect.

This bill gives us a chance to at least get some of that money back and is probably the most effective program that we have had. Oh, but you say, "We will get it back in foreign currency." So we do, under this bill, but remember that we have received back under this bill and we have used of this foreign currency for the payment of United States obligations \$476 million. For these payments we would have had to appropriate American dollars had we not had this foreign currency. We have spent \$7 million for the purchase of strategic materials for which we would have had to spend American dollars had we not had this

bill. We have under this program purchased \$241 million of military procurement for which we would have had to spend American dollars had we not had this bill.

In other words, what you have done is, you have spent wheat, you have spent cotton, you have spent oils, you have spent these commodities that are now in surplus and for them you have received these things for which you would have had to pay American dollars.

Mr. COOLEY. Mr. Chairman, will the gentleman yield?

Mr. POAGE. Certainly, I yield to my chairman.

Mr. COOLEY. And the amount that the gentleman mentioned, \$478 million, is actually 37 percent of the total value of the foreign currencies.

Mr. POAGE. That is right. For every dollar of foreign currency we have taken in, we have received tangible goods for which we would have otherwise been compelled to spend American dollars, to the value of at least 37 cents. So, if you never got anything from the rest of the foreign currencies, you have gotten nearly 40 cents on the dollar.

Oh, but you say, that is a tragically small amount. What did you get when you sold surplus war materials? What did you get when you sold surplus industrial goods? You averaged about 5 cents on the dollar, 5 cents on each dollar that these goods had cost the Government. So we are getting about 8 times as much for these surplus agricultural goods as we got for our surplus industrial goods; about 8 times as much in American dollars. And you are also getting the other 60 percent in the foreign currencies which undoubtedly will bring us a very substantial return—not 100 cents on the dollar, but a very substantial return in the future.

And we are selling these commodities, not at a cut-rate price. We are selling these commodities on the world market at the world price and taking foreign currencies in payment. It is not such a bad deal. It is not such a giveaway. It is not the kind of a program that many of the Members have thought that it was. On the contrary, it is probably the soundest business in which we have engaged since we have been faced with the question of the disposal of these surpluses.

It does not involve the kind of losses that many of our other disposal programs have involved.

Some people have gotten the idea that this was simply a foreign program for the benefit of somebody on foreign shores. We hope that if our program can help our neighbors that it will help them while at the same time solving some of our economic difficulties. But in this particular case the primary effect is to help America to get the most cash dollars for those things that we now have on hand that we can possibly get, as quickly as we can, to stop the cost of storage and handling as soon as possible.

Mr. DEMPSEY. Mr. Chairman, will the gentleman yield?

Mr. POAGE. I yield to the gentleman.

Mr. DEMPSEY. I have here a bulletin from the Department of Agriculture

dated May 28, 1957. It shows the bartered minerals that may be shipped to the United States. One paragraph says:

Materials delivered under barter contracts may not be produced or processed in the United States. Heretofore, foreign-produced materials could be processed.

In other words, we are not going to get the raw materials. We are going to have them finished over there while our people are out of work over here. Is that the thing to do?

Mr. POAGE. That certainly does not seem to me to be the thing to do.

Mr. COOLEY. Mr. Chairman, will the gentleman yield?

Mr. POAGE. I yield to the gentleman.

Mr. COOLEY. This announcement that the gentleman from New Mexico [Mr. DEMPSEY] has referred to is dated May 28. Unfortunately it had not come to my attention and I am quite certain that the gentleman from Texas [Mr. POAGE] has not had an opportunity to read it. It is of importance, and I would like to say to my friend from New Mexico that the committee will give the matter attention and, if necessary, have hearings to determine just what change, if any, is contemplated by the United States Department of Agriculture as a result of this program announced on May 28.

Mr. DEMPSEY. I appreciate that, but it covers zinc, lead, copper, practically every mineral we have.

Mr. POAGE. Of course I have not read the particular item to which the gentleman is referring, but this bill has nothing whatsoever to do with what commodities we can buy under this strategic minerals program. Nor does this bill involve title III the barter section. It relates only to titles I and II. These sections refer only to the source from which you get the money with which you pay for these minerals. The program for the purchase of strategic materials is not set up by Public Law 480. The program for the purchase of strategic materials is set up by a separate law which provides the details of what we can buy, the amount to be paid for it, and the condition in which it may be brought into the United States. The only connection that program has with Public Law 480 is the question of how you get the money to make the payments for the obligations that have been incurred by the strategic materials program.

If we did not have Public Law 480 we would have to use American dollars to get the money to pay for it.

Mr. DEMPSEY. But you are going to throw our people out of work over here because they will process these barter metals and minerals over there with foreign workers.

Mr. POAGE. I agree with the gentleman that the regulations he has read seem to me to be ridiculous, but the gentleman ignores the point, and I hope that he does not do it intentionally.

Mr. DEMPSEY. I will put this in the RECORD intentionally.

Mr. POAGE. It is not Public Law 480 that provides the conditions under which commodities may be brought into the United States.

Mr. COOLEY. Mr. Chairman, will the gentleman yield?

Mr. POAGE. I yield to the gentleman from North Carolina.

Mr. COOLEY. The statement the Governor has here clearly indicates that the strategic materials brought in under 480 must come in in processed form rather than raw.

Mr. POAGE. That is exactly correct so far as the instructions are concerned but does not the Department of Agriculture receive its instructions as to what it can bring in and the conditions under which it can bring it in from another agency of the Government?

Mr. DEMPSEY. The Department of Agriculture obtains a list of strategic and critical materials which can be stockpiled in this country either in the Office of Defense Mobilization stockpile or a supplemental stockpile maintained by the Commodity Credit Corporation. The authority for barter is vested in the President of the United States who delegates it to the various departments under his administration. The Office of Defense Mobilization sets up a list of metals, minerals, and other commodities from which the Department of Agriculture, through the Commodity Credit Corporation can choose for the barter list. This determination is made by the Board of Directors of the Commodity Credit Corporation, of which Secretary of Agriculture Benson is the Chairman and the remaining members are largely his assistant secretaries. It is not difficult to determine who decides on this policy. This Board also sets up the regulations, including the one which says that none of these foreign produced materials can be processed in this country. That is the place where the full responsibility lies for this provision, which takes away from American plants and workers the jobs that are being done in the foreign countries. I would like to point out that the Board of Directors of the Commodity Credit Corporation authorized the issuance of the following announcement, which I include, in part, as a portion of my remarks:

USDA OUTLINES REVISED BARTER PROGRAM

The United States Department of Agriculture announced today that the Commodity Credit Corporation barter program, suspended since the end of April, is being resumed immediately on a revised basis.

The revamped program, under which CCC will continue to exchange surplus farm products for strategic and other materials from foreign countries, is intended to insure that each barter contract results in a net increase in exports of the agricultural commodity involved. One of the principal factors leading to suspension at the end of April of new barter transactions was the possibility that some of the barter contracts were simply replacing dollar sales with no net gain in the total volume of agricultural exports.

The program, as revised, contains the following principal provisions:

1. In general, if the barter contractor can satisfy the Commodity Credit Corporation that a proposed barter transaction will mean a net increase in United States exports of the agricultural commodity involved, CCC will enter into a barter contract providing for delivery of any CCC-owned agricultural commodity (or tobacco held as collateral for CCC loans) for export to any friendly foreign country.

2. Exports of cotton, wheat, and feed grains to certain countries will be automatically presumed to be in addition to normal exports, and therefore a special showing that the barter transaction will result in a net increase in total United States exports will not be required. These countries will include all those not named in the country lists given later in this release.

3. Each barter contract must contain a specific designation of the agricultural commodity involved in the transaction. Up to now, barter contractors could export virtually any CCC-owned commodity under their contracts.

4. If barter contractors desire delivery of agricultural commodities in advance of delivery of material to CCC, such advance deliveries will be permitted but interest at the rate which would be applicable to credit sales by CCC will be charged until the material is delivered or payment is otherwise effected for the agricultural commodities. Payment for the interest charges will be delayed until final settlement under the contract but must be paid in cash. An irrevocable dollar letter of credit acceptable to CCC must be posted for the value of agricultural commodities which are delivered by CCC in advance of delivery of materials to CCC plus the estimated amount of interest. Heretofore, interest was not charged for the first 2 years.

5. Barter contractors must provide assurances satisfactory to CCC that the agricultural commodities exported under barter contracts will not be transshipped from the approved countries of destination. In the past, only assurances against transshipment to unfriendly countries was required.

6. Materials delivered under barter contracts may not be produced or processed in the United States. Heretofore, foreign-produced materials could be processed here.

7. Each barter contract for strategic and other materials must designate the country of origin of the materials to be delivered. In the past, this was not required.

Foreign produced strategic and other materials currently acceptable to CCC under the barter program include aluminum; antimony; asbestos (amosite); bauxite (Jamaica, Surinam, and refractory grade); chromite (metallurgical and refractory); copper; fluor spar (metallurgical); lead; manganese (synthetic battery grade, chemical types A and B, and metallurgical); mica (Muscovite block, Muscovite film, Muscovite splittings, and phlogopite splittings); palladium; selenium (chemical grade); silicon carbide (crude); and zinc.

CCC's ability to conclude barter proposals for materials depends at any one time upon such factors as requirements, existing commitments, and market conditions.

Authority to barter was initially provided in 1948 by the Commodity Credit Corporation Charter Act. This authority has been enlarged and clarified in other legislative provisions, including an amendment to the Charter Act; the Agricultural Acts of 1949, 1954, and 1956; and Public Law 480.

The barter program was suspended at the end of April 1957 to permit a detailed study by the Department of possible safeguards against the substitution of barter transactions for dollar sales, without a net gain in total export of agricultural surpluses. Program revisions announced today reflect the results of that study.

I believe this announcement should be carefully studied by every Member of the House, particularly those who are concerned with the welfare of our mining industry, which is one of the most important segments of our entire national economy. This announcement provides that this long list of minerals, duly processed, shall be brought into this

country at a time when parts of our mining industry are in bad shape. Our zinc mines, for instance, are closing down. In New Mexico alone, I am advised that 750 zinc miners are either out or will be out of work very shortly. The reason given by the mine operators is that so much zinc from foreign countries, employing cheap and slave labor, is being dumped into our market that the prices are dropping to a point where our mines cannot compete.

This is not a new situation, as all of the Congressmen from the mining States well know. Several months ago the Tariff Commission concluded long hearings on the imports of zinc and lead. That Commission recommended to the President that the tariff be increased and that import quotas be set in order to save our own industry. The recommendation was not followed.

Within the last couple of weeks Felix Wormser, Assistant Secretary of the Interior for Minerals Policy, sent a like recommendation to the White House. No action has been taken on this recommendation.

The motivating force back of all this can be found in our State Department and our present foreign policy. This may not come within the purview of title I of Public Law 480, but it does come within the provisions of that section of the law which sets up the barter authority for the President. Regardless of which law is concerned, the fact remains that this is another way of dumping these foreign minerals into our markets and stockpiles, while our mines are closing down and our miners are out of work. It seems to me that this is an apt illustration of the confusion that exists in our dealings with foreign countries. Apparently our right hand does not know what our left hand is doing. If we must barter our surplus agricultural commodities, let us barter them for those materials which will not play havoc with our own industries.

I wonder if Secretary Benson and the other directors of the CCC know what consequences their barter program may have? I believe they should be advised what their program may do to damage another segment of our national economy. I believe that they should be informed in no uncertain terms that this Congress does not approve of any plan to throw our workers out of jobs in order to give employment to those in foreign countries. This program has all of the earmarks of another foreign giveaway and I, for one, do not like it. I certainly am glad that the chairman of the Committee on Agriculture intends to have this matter thoroughly investigated. I hope the necessary steps will be taken to see that the barter program does not do further damage to our mining industry.

Mr. POAGE. I appreciate what the gentleman is talking about and I agree with his position thereon, but I doubt it is under Public Law 480 that we make those requirements.

Mr. DEMPSEY. If they have the authority to make it, then we should stop this money that gives them the wherewithal to do it.

Mr. POAGE. The gentleman means he does not want to trade for these critical metals? Does he want us to just buy them? You have your choice, and it is just this simple: You can either trade wheat, which is in surplus, or cotton, which is in surplus, or you can pay American dollars.

Mr. DEMPSEY. We have foreign zinc in surplus here right now. Our zinc mines are closing down. Our copper mines are reducing. Now those factories that process it are going to be affected. They change it in this bulletin I have right here, dated May 28 of this year.

Mr. POAGE. But they do not do this under authority of Public Law 480.

Mr. FULTON. Mr. Chairman, will the gentleman yield?

Mr. POAGE. I yield.

Mr. FULTON. I would like to point out to the gentleman from New Mexico what section 104 (b) provides. Section 104 (b) shows that the purchase of strategic materials abroad is made only under the terms of the Strategic and Critical Materials Stockpile Act. I will read it:

SEC. 104:

(b) To purchase or contract to purchase strategic and critical materials, within the applicable terms of the Strategic and Critical Materials Stockpile Act, for a supplemental United States stockpile of such materials as the President may determine from time to time under contracts, including advance payment contracts, for supply extending over periods up to 10 years. All title shall be placed in the above-named supplemental stockpile and may be additional to the amounts acquired under authority of the Strategic and Critical Materials Stockpile Act. Materials so acquired shall be released from the supplemental stockpile only under the provisions of section 3 of the Strategic and Critical Materials Stockpile Act.

It is there where the gentleman should go to see that agreements with 70 countries are properly carried out or properly made and not here where we are just setting up a method for the distribution of surplus commodities to help American agriculture, I might point out.

Mr. DEMPSEY. May I say to the gentleman from Pennsylvania that I do not have the time to go to 70 countries to inquire about these questions. This is the place and the forum where this question should be decided. If this Congress wants us to have certain strategic materials in exchange for cotton or some other agricultural commodity, that is all right, but the question I raise is that these materials must be processed in the countries from which we purchase them, and I have read from the statement where the Agriculture Department states that heretofore they did not do that.

Mr. FULTON. The Department of Commerce handles the strategic materials stockpiling.

Mr. COOLEY. It seems to me that the gentleman from New Mexico should be satisfied with the suggestion made a moment ago that we will immediately investigate this matter, and if the gentleman's interpretation of this release is accurate, our committee will investigate the matter immediately and take appropriate action.

Mr. DEMPSEY. That is perfectly agreeable to me.

Mr. SANTANGELO. Mr. Chairman, will the gentleman yield?

Mr. POAGE. I yield.

Mr. SANTANGELO. I would like to have a bit of information. Can the gentleman tell us how much money in counterpart funds our Government has accumulated in all these foreign countries?

Mr. POAGE. When the gentleman says counterpart funds, does the gentleman mean under this bill?

Mr. SANTANGELO. I am referring to these funds which we have in these foreign countries where we cannot get any money out, but where we can get the value in goods of some sort or another.

Mr. POAGE. If the gentleman means how much we received all told under this bill, the amount is about \$1,700,000,000.

Mr. SANTANGELO. That is \$1,700,000,000?

Mr. POAGE. I think that is about correct.

Mr. COOLEY. The gentleman is inquiring as to what money is located in other countries?

Mr. SANTANGELO. That is what I am trying to find out. How much money has been accumulated in these countries as a result of this program where we sell them our surplus commodities?

Mr. POAGE. We have contracted, or we have entered into agreements involving the sale when the goods are all delivered of about \$1,700,000,000.

Mr. SANTANGELO. Then it is with this money in the amount of \$1,700,000,000 that our Government is purchasing other kinds of goods from foreign countries either under this law or under other laws; is that correct?

Mr. POAGE. Yes; but as I understand it we are purchasing these products under other laws and not under this law. The point I wanted to make clear to the gentleman from New Mexico was that we can only make purchases involving any of these commodities under other laws, not under Public Law 480. It was necessary to have the authority of some other law in order to make the purchase.

Mr. SANTANGELO. As I understand the complaint of the gentleman from New Mexico, it was that these funds which have accumulated in these foreign countries are being used under other laws to destroy the zinc and copper industries of our country.

Mr. POAGE. That is not quite correct because if we did not have Public Law 480, we would make the same purchases in foreign countries and pay for them in American dollars on the same terms.

Mr. O'NEILL. Mr. Chairman, will the gentleman yield?

Mr. POAGE. I yield.

Mr. O'NEILL. I believe your report shows that up to February 28, 1957, you had \$1,984,088,000.

Mr. COOLEY. That is what is covered by agreement. Actual shipments total \$1,320,000,000 up to May 27, 1957.

Mr. POAGE. And that includes the ocean transportation.

Mr. FULTON. Mr. Chairman, will the gentleman yield?

Mr. POAGE. I yield.

Mr. FULTON. I think it is a matter of getting these strategic materials abroad. Actually under this act it is only a bookkeeping transaction. This is where the money comes from. So we do not have to put up real American dollars but we use surplus agricultural commodities.

Mr. POAGE. That is the only effect. It has nothing whatsoever to do with the terms under which these products are brought into the United States, but only as to where you get your dollars.

That, my friends, is the crux of this whole thing—that we use surplus agricultural commodities to pay rather than to use American dollars.

The CHAIRMAN. The time of the gentleman from Texas [Mr. POAGE] has again expired.

Mr. AUGUST H. ANDRESEN. Mr. Chairman, I yield 5 minutes to the gentleman from New York [Mr. TABER].

Mr. TABER. Mr. Chairman, there are some things about this bill that need considerable attention. There is a considerable part of the things that go abroad that are paid for by counterpart funds; that is, items that result in the foreign country's cash currency, and those things are available, the way the law stands, for expenditure for all sorts of things. For instance, as I understand it, they can take this money and pay agricultural attachés or other people who are over there in that particular country; pay their expenses. They can build residences for those attachés. They can pay the expenses of those who are in that part of the country on detail from the committees to which they belong, either in this body or the other body, and there is no control at all over the thing. Frankly, in the Appropriations Committee we passed a provision known as section 1415 which was designed to correct that evil. The extension of this statute by this bill is an appropriation coming from a committee that has no authority to bring an appropriation bill before the Congress, and it must necessarily be corrected before it goes through. I think we all ought to understand that if we are going to provide appropriation of funds without any control over them at all, that we are giving up the authority of the Congress of the United States to control things. Frankly, I dislike to see that happen, and if I can help it I do not intend to see it happen. That is the thing that bothers me about this bill. I do not like that feature of it. I expect, when the proper time comes, that someone will offer an amendment designed to correct that situation. If we continue to educate these bureaucrats with the idea that they can spend money without paying any attention to us, it would not be long before we would be out of business as a Congress. There will be no brake upon the executive whatever.

I hope that when this comes up the committee will treat it with a sense of responsibility and a desire to see that the bill is corrected. Frankly, I do not want

to stand in the way of the disposal of these surplus agricultural products. At the same time, we must see that it is done in a proper way and in a way which does not damage the United States.

Mr. ROONEY. Mr. Chairman, will the gentleman yield?

Mr. TABER. I yield to the gentleman from New York.

Mr. ROONEY. I should like to say that I am in thorough accord with every word uttered here on the floor today by the distinguished gentleman from New York. It will be recalled, as it was discussed here yesterday in the Committee of the Whole, that under this legislation the administration could purchase all over the world residences for agricultural attachés. The No. 2 man who becomes the chargé d'affairs in the absence of the Ambassador to Italy would continue to live in his present 6-room apartment in Rome, while they could purchase one of the Roman palaces for the agricultural attaché with the proceeds of this unhampered fund.

Mr. TABER. That is correct.

Mr. AUGUST H. ANDRESEN. Mr. Chairman, I yield 2 minutes to the gentleman from New York [Mr. KEATING]. (Mr. KEATING asked and was given permission to revise and extend his remarks.)

Mr. KEATING. Mr. Chairman, I ask unanimous consent to proceed out of order.

The CHAIRMAN. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. KEATING. Mr. Chairman, the decision yesterday of the Supreme Court of the United States in the Jenks case has posed a very serious problem for the security of our Nation which should be brought immediately to the attention of the Congress.

If this decision stands and nothing is done by the legislative branch it may well result, as Justice Clark has indicated in his minority opinion, in our investigative agencies having to close up shop. The FBI and other investigative agencies must be greatly concerned.

I have asked the Attorney General to assist me in the preparation of legislation which can immediately be studied by the Judiciary Committee in order that we can come to grips with this serious threat to our security.

Mr. McCULLOCH. Mr. Chairman, will the gentleman yield?

Mr. KEATING. I yield.

Mr. McCULLOCH. Mr. Chairman, I wish to commend the gentleman from New York for so promptly bringing this vital matter to the attention of the Congress. I think that Justice Clark has so clearly let us know the importance of this matter that it would be worth while to quote 2 sentences from his dissenting opinion, and that I would like to do. Justice Clark said:

This fashions a new rule of evidence that is to our Federal jurisprudence. The rule has always been to the contrary.

Without burdening the House with a necessary long quotation at this time, I wish to say that I will later request

authority to insert in the RECORD the entire dissenting opinion of Justice Clark. I would commend it to every Member of the House for his serious reading as soon as it is available.

Mr. KEATING. I thank the gentleman and hope every Member will read the opinion.

Mr. McCULLOCH. The opinion referred to follows:

SUPREME COURT OF THE UNITED STATES—No. 23, OCTOBER TERM, 1956—CLINTON E. JENCKS, PETITIONER, v. UNITED STATES OF AMERICA—ON WRIT OF CERTIORARI TO THE UNITED STATES COURT OF APPEALS FOR THE FIFTH CIRCUIT

June 3, 1957

Mr. Justice Clark, dissenting.

The Court hold "that the criminal action must be dismissed when the Government, on the grounds of privilege elects not to comply with an order to produce, for the accused's inspection and for admission in evidence, relevant statements or reports in its possession of Government witnesses touching the subject matter of their testimony at the trial." This fashions a new rule of evidence which is foreign to our Federal jurisprudence. The rule has always been to the contrary. It seems to me that proper judicial administration would require that the Court expressly overrule *Goldman v. United States* (316 U. S. 129, 132 (1942)), which is contra to the rule announced today. But that is not done. That case is left on the books to haunt lawyers and trial courts in their search for the proper rule. In *Goldman* the Court was unanimous on the issue of disclosure of documents¹ and refused to order produced "notes and memorandums made by the [Federal] agents during the investigation." The rule announced today has no support in any of our cases.² Every Federal judge and every lawyer of Federal experience knows that it is not the present rule. Even the defense attorneys did not have the temerity to ask for such a sweeping decision. They only asked that the documents be delivered to the judge for his determination of whether the defendant should be permitted to examine them. This is the procedure followed in some of our circuits. My Brother Burton has clearly stated in

¹ Though the Court was divided on an issue not here material, the two dissenting opinions expressed no disagreement whatsoever on the disclosure issue.

² The opinion cites only two of our cases for support. The quotations from *Gordon v. United States* (344 U. S. 414 (1953)) an opinion by my late Brother Jackson, a former Solicitor General and Attorney General, are lifted entirely out of context. The case holds explicitly that documents must be produced only after a foundation is laid "showing that the documents were in existence, were in possession of the Government, were made by the Government's witness under examination, were contradictory of his present testimony, and that the contradiction was as to relevant, important and material matters which directly bore on the main issue being tried: the participation of the accused in the crime." (Id., at 418-419.) Likewise, *United States v. Reynolds* (345 U. S. 1 (1953)), by my late Brother Chief Justice Vinson, approved the refusal of the Government to produce documents in a tort claims suit. The opinion gave no approval whatever to the conclusion announced by the majority here. I purposely omitted the reference in the opinion after the penultimate sentence, "Accord, *Roviaro v. United States* (353 U. S. 53, 60-61)." That case had to do with the disclosure of a dead informant's name and did not touch on the problem of the disclosure of Government documents.

his concurring opinion the manner in which this procedure works. Perhaps here with a recanting witness the trial judge should have examined the specific documents called for, as the defense requested, and if he thought justice required their delivery to the defense, order such delivery to be made. I would have no objection to this being done. But as Brother Burton points out, this would not require a reversal but merely a vacation of the judgment and a remand to the trial court for that purpose.

Unless the Congress changes the rule announced by the Court today, those intelligence agencies of our Government engaged in law enforcement may as well close up shop for the Court has opened their files to the criminal and thus afforded him a Roman holiday for rummaging through confidential information as well as vital national secrets. This may well be a reasonable rule in State prosecutions where none of the problems of foreign relations, espionage, sabotage, subversive activities, counterfeiting, internal security, national defense, and the like exist, but any person conversant with Federal Government activities and problems will quickly recognize that it opens up a veritable Pandora's box of troubles. And all in the name of justice. For over eight score years now our Federal judicial administration has gotten along without it and today that administration enjoys the highest rank in the world.

Director J. Edgar Hoover back in 1950 tellingly pointed this out before a subcommittee of the Committee on Foreign Relations of the United States Senate. Among other things he said, "I have always maintained the view that if we were to fully discharge the serious responsibilities imposed upon us, the confidential character of our files must be inviolate. * * * [U]nless we drastically change or circumscribe our procedures, they should not be disclosed." In describing the files of the Bureau, he continued:

"FBI reports set forth all details secured from a witness. If those details were disclosed, they could be subject to misrepresentation, they could be quoted out of context, or they could be used to thwart truth, distort half-truths, and misrepresent facts. The raw material, the allegations, the details of associations, and compilation of information * * * are of value to an investigator in the discharge of his duty. These files were never intended to be used in any other manner and the public interest would not be served by the disclosure of their contents.

"These files contain complaints, allegations, facts, and statements of all persons interviewed. Depending upon the purpose of the investigation, particularly in security cases, they contain, not only background data on the individual but details of his private life * * * the identities of our confidential sources of information and full details of investigative techniques. In short, they consist of a running account of all that transpires.

"For want of a more apt comparison, our files can be compared to the notes of a newspaper reporter before he has culled through the printable material from the unprintable. The files do not consist of proven information alone. * * * One report may allege crimes of a most despicable type, and the truth or falsity of these charges may not emerge until several reports are studied, further investigation made, and the wheat separated from the chaff.

"If spread upon the record, criminals, foreign agents, subversives, and others would be forewarned and would seek methods to carry out their activities by avoiding detec-

tion and thus defeat the very purposes for which the FBI was created." (Hearings before a subcommittee of the Senate Committee on Foreign Relations on S. Res. 231, 81st Cong., 2d sess., 327-329.)

I can add nothing to this graphic expression of the necessity for the existence of the rule which, until today, kept inviolate investigative reports.

My Brother Burton's concurrence also points up the failure of the majority to pass upon another important question involved; namely, the sufficiency of the trial judge's instructions. The impact of this failure on him and on my Brother Frankfurter was such that they have announced their own views though the majority never reaches the point. For myself alone, I believe that the instructions on the whole were sufficient. It is unfortunate that the majority does not announce its position. This is only 1 of some 10 Communist affidavit cases now pending in the trial and appellate courts. Unless this case goes as did *Gold's*,³ the question of the sufficiency of instructions will come up in this as well as in each of the other cases. The Court is sorely divided on this important issue and proper judicial administration requires that charges as to what constitutes membership and affiliation in the Communist Party be announced.

Mr. COOLEY. Mr. Chairman, I yield such time as he may desire to the gentleman from Virginia [Mr. ABBITT].

Mr. ABBITT. Mr. Chairman, we have this morning again seen demonstrated in the Washington Post and Times Herald glaring evidence of the conspiracy to hoodwink the American people into believing that the so-called civil-rights legislation is just a little innocent piece of legislation dealing with the protection of the right to vote.

In the lead article on the first page of the Washington Post dealing with the jury-trial amendment in the civil-rights legislation there appeared the following:

Under its terms, persons charged with violating Federal court injunctions forbidding interference with the right to vote must be tried by a jury rather than a judge.

This is just another instance of certain segments of the press, particularly the Washington Post, trying to pull the wool over the eyes of our people and fool them into believing that this vicious anti-civil-rights legislation will not affect the rights of the vast majority of our people in this country. There has been a constant effort to play down this legislation and to show it up as dealing with the right to vote only. As a matter of fact, this is the most dangerous, liberty-destroying legislation that has been offered in the Halls of Congress since I have been here, in my opinion. This bill is all embracing and covers all fields of civil rights. First, it sets up a Commission on Civil Rights with the authority and directive to include a study of all civil rights. The Commission will be a roving commission of inquisitors trying to browbeat and intimidate our people and make them amenable to the desires of the NAACP and kindred organizations. Second, it creates a Civil Rights Division

³ In *Gold v. United States* (352 U. S. 985 (1957)), this Court reversed and remanded the case for a new trial because of official intrusion into the privacy of the jury. The case was dismissed on oral motion of the Government on May 9, 1957.

in the Department of Justice which will be a small gestapo to harass the American people. Third, it confers upon the Attorney General of the United States the authority to institute civil action in the name of the United States or for the United States in all civil-rights matters. Furthermore, it allows the Attorney General to take up claims whether or not the party alleged to have been aggrieved desires it or not. It wipes out State remedies, deprives the States and localities of their police power and the authority and duty of the enforcement of criminal law. It permits the administration of laws by contempt and injunction proceedings, wiping out the right of trial by jury. And, lastly, it permits preventative action in right-to-vote matters, which is one of the minor provisions of the bill, and, in my opinion, will be less obnoxious than the other areas of jurisdiction covered in the bill.

I think it is high time that the American people be given a forthright and honest analysis of the proposed legislation. I am surprised at the effort being made in certain quarters to cover up the real intent, purpose, and effect of this legislation.

Mr. AUGUST H. ANDRESEN. Mr. Chairman, I yield 5 minutes to the gentleman from Indiana [Mr. HARVEY].

Mr. HARVEY. Mr. Chairman, I think the debate we are having on the extension of Public Law 480 is a very healthy one. I have been particularly impressed with the type of interested questions we have had. I believe the suggestion which was offered by the gentleman from New York [Mr. TABER] to provide for better control and disposal of these counterpart funds is a good idea. I want to comment briefly on two or three points I noticed have been receiving a good deal of attention.

I have heard the criticism voiced in reference to this program that it is disposing mostly of wheat and cotton and not doing enough for the dairy people, for example, of some of the other States where dairy products are a substantial portion of their production. The inequality of that complaint is not quite as apparent as it might seem. First of all, wheat and cotton are normally exportable commodities. Dairy products are not as exportable, but we are doing a terrific job of using dairy products on a domestic basis for the school-lunch program, through extra consumption by our service personnel, by charitable institutions. So dairy products are receiving substantial donations and attention in other farm legislation than Public Law 480 in the domestic market; and cotton and wheat, for example, are receiving more attention in the export or foreign market.

I want to address myself particularly at this time to one point that seemed to receive a great deal of attention yesterday. It is one facet of this problem I have interested myself in. I refer to the importation of Polish ham. I have followed the importation of Polish ham and have been against it for a long time. From what I have been able to find out, percentagewise it is not a very important product as an import proposition. It is a specialty product, it is a high-

priced product, and it goes mostly into certain areas where people have a particular liking for this product.

I spoke to the packers in my own area as to why they did not meet the competition of this product and they said it is a sealed product. It comes sealed in tins and the demand totalwise was not sufficient to justify them setting up the necessary facilities to produce this specialty product.

I have figures which I can show to any Member if interested to cite the amount that is coming in. However, may I say that Polish ham does not all come from Poland. As a matter of fact that is sort of a trade name for the product.

I have some figures I would like to give the Members, because I think they are worth while. They are as follows:

Imports of canned ham and canned pork to the United States, 1954

Country	Export of canned ham and pork to United States	Import of all agricultural commodities from United States
Canada.....	\$37,337,000	\$298,038,000
Denmark.....	20,796,000	19,491,000
Netherlands.....	35,032,000	248,244,000
West Germany.....	11,896,000	265,393,000
Czechoslovakia.....	179,000	896,000
Poland.....	17,483,000	4,000
Total.....	122,723,000	832,066,000

May I say that there is no law which prevents Poland from shipping their products into our country provided they pay the duty of 3¼ cents per pound. I am opposed to the idea of trading with Poland because it is a one-way street. In my opinion, they are using the millions of dollars that they get from us to buy strategic materials at other places to finance their war effort. For that reason I think there ought to be something done to tighten up trade with a country like Poland. However, the product, Polish ham, comes from many of the other countries and it is really the same product. We cannot complain about importation from friendly countries who are good customers of the United States.

I support Public Law 480 extension and hope it will be continued based upon the past experience of excellent administration.

Mr. COOLEY. Mr. Chairman, I yield 6 minutes to the gentleman from Florida [Mr. MATTHEWS].

Mr. MATTHEWS. Mr. Chairman, I rise in support of the extension of Public Law 480 and would like to take this opportunity to emphasize several points that might be of particular interest to the committee.

If you have had an opportunity to read the report of the committee, you will note that the committee is earnestly desirous that the expenses incurred under this program have a strict accounting and that those expenses chargeable to agriculture should be properly charged. We realize that some of the money spent under the provisions of this bill should not be charged to agriculture. You will note, for example, that \$225 million will be spent for ocean transportation. Our colleagues who do such a wonderful job of promoting the

maritime interests of this great Nation I know will take cognizance of that and will be glad to support the Commodity Credit Corporation as it comes back to Congress from time to time to get more money for the transaction of its business. You will note, if you have had a chance to read this report, that approximately 37 percent of the foreign currency available under title I will be used for military procurement by the United States and to take care of its obligations in nations throughout the world. Certainly, then, that particular item should not be charged to American agriculture.

You will recall that several months ago we were told, for example, that the budget for agriculture this year is approximately \$5 billion. Mr. Chairman, that is not the truth of the matter, because, as you know, perhaps only about half of that should be charged to agriculture and certainly not more than a maximum of \$3 billion. If I had time today, I should like to go into detail on that particular matter.

Now, as we consider title I—and most of the consideration thus far has been given to title I—you will note that only 1.6 percent of the money planned to be spent is planned to be spent for the development of our agricultural markets. The committee has insisted that we pay more attention to the development of our agricultural markets and in particular with the nations to the south of us.

Now, title II, Mr. Chairman, is one of the most stimulating titles in the bill. That is the donation program to needy people abroad. I have been particularly impressed with the way this program has been directed by our great religious and charitable organizations. The Jewish, Catholic, and Protestant organizations have done a magnificent job to let these people abroad, our friends, know that this food is a gift of the taxpayers of the United States. Title III will not be changed in this bill. As you know, that is the title that makes possible the feeding of our needy people at home. I do not believe there will be a vote cast against this bill, because in it we have a provision to feed 12 million school children, 1.4 million people in charitable institutions in America, and people living in 3.5 million family units in 39 States in the United States, Alaska, and Puerto Rico. So often you hear people say, "Let us help our people at home." I am glad, Mr. Chairman, that we have an opportunity in this bill to do that.

Mr. H. CARL ANDERSEN. Mr. Chairman, will the gentleman yield.

Mr. MATTHEWS. I yield to the gentleman from Minnesota.

H. CARL ANDERSEN. I appreciate the gentleman from Florida [Mr. MATTHEWS] yielding for a brief comment, as I want to personally commend him for the fine job he has done in bringing this Public Law 480 program into proper perspective. The good our surpluses are accomplishing in helping hungry people all over the world is to my way of thinking one of the most important, if not the most important, features of this program.

One has to see hungry people in the Middle East, for example, only once to remember forever the look in their faces. We know that this is one of the worst trouble spots in the world today, but few people seem to realize that the real root of the trouble is lack of sufficient food. A few years ago I went into that area on an inspection tour, and I saw literally thousands of human beings living in those Arab refugee camps under deplorable conditions. I saw little children who had been born in those camps after their families had been displaced, and I know we would not tolerate such conditions here in the United States of America.

Those people barely exist with hardly enough food to keep body and soul together. It is no wonder that they are restless and that their leaders agitate and foment trouble. Hungry people are desperate people and there is little difference with them between dying of starvation and dying in riot, rebellion, or war.

Think of the good that has been accomplished and that can be accomplished by proper and effective use of our blessings of abundance. What better use can a Christian nation make of its abundant production than to share it with suffering humanity in other parts of the world?

In country after country I have personally seen the good we are doing with our surplus food. The masses of poor people in those nations may not even see, let alone appreciate, the industrial developments of our foreign aid program and they may even resent our military aid—but almost without exception we have found that they do appreciate our sending our food. It has been proven in Pakistan and all over the Middle East that our surplus food shipped to hungry people has made us more lasting friendships than all the dollars and guns and bombs we could ever hope to ship abroad.

The charge has been made that this program is a subsidy for American agriculture. Nothing could be further from the truth. Certainly it helps our agricultural economy to have some of these surpluses removed but the real value of the program is in the field of diplomacy and international relations. I would remind the critics of the Public Law 480 program that the commodities going abroad under this program are owned by the Commodity Credit Corporation. The producers have already received their settlement from the Government and these stocks are federally owned.

It is just good business on the part of our Government to sell, barter, and where proper to do so give these surplus stocks to customers and hungry people abroad. Every bushel of wheat and every pound of edible fat we ship abroad, through one means or another, is just one more block in the barrier of defense we are building against Communist aggression. By strengthening the free world the Public Law 480 program is serving all the people in the United States, not just our farmers who produced the food. It would make as much sense to claim that the foreign aid program was a subsidy for American labor which produces the equipment provided

under that program as it would to claim that the program before us today is a subsidy for our farmers.

Mr. MATTHEWS. I appreciate that comment of the gentleman. I know, like many of you feel, this feeding of friendly people should certainly be charged to the cost of this cold war. I am delighted that the Congress during the past several years has recognized the legitimacy of this kind of endeavor, and not only with our vast armaments should we fight this cold war, but with this great amount of food which we have in such providential surplus.

Mr. FULTON. Mr. Chairman, will the gentleman yield?

Mr. MATTHEWS. I yield to the gentleman.

Mr. FULTON. I think the gentleman is to be complimented on his statement. Actually, it should be pointed out that the title of Public Law 480 is The Agricultural Trade Development and Assistance Act of 1954. The purpose is to increase the consumption of United States agricultural commodities in foreign countries. And so it is really a bill to assist our own United States farm areas, and for our own United States safety and security abroad as well.

Mr. MATTHEWS. I thank the gentleman for his contribution.

Mr. Chairman, this bill is a good bill. I, along with other members of the House Committee on Agriculture, introduced similar legislation.

The facts concerning the extension of Public Law 480 are well presented in the committee report to accompany H. R. 6974.

Public Law 480 was approved July 10, 1954, as an emergency program for disposing of surplus agricultural commodities through sale for foreign currencies, barter, and donation—both domestic and foreign. The act consists of three titles.

Title I deals with sales for foreign currency and originally provided an authorization of \$700 million for the sale of surpluses abroad to friendly countries for foreign currencies. On August 12, 1955, this authorization was increased to \$1.5 billion and on August 3, 1956, to \$3 billion. This bill will further increase that authorization to a total of \$4 billion.

Title II originally authorized the expenditure of not more than \$300 million for foreign donation programs. This was later increased to \$500 million, and this bill would again increase this amount to \$800 million. The termination date of programs under titles I and II of the act is June 30, 1957, and is by this bill extended to June 30, 1958. No other changes are made in the act by this bill.

Title III deals with barter and with a permanent surplus disposal and donation program embodied in the Agricultural Act of 1949.

I would like to point out that, of course, this bill will help us to continue disposing of the agricultural surplus. From latest reports, there are over \$8 billion worth of these agricultural surplus commodities in the hands of the Commodity Credit Corporation. I think it is most commendable on the part of Congress to recognize that in our efforts

to win the cold war that in addition to the implements of warfare, that food is equally important, if not more important. I think many of the expenses incurred under Public Law 480 might well be considered part of the total defense effort and should be charged to the cold war. Recent events in Formosa call for a reevaluation on the part of Congress as to the value of many of our foreign aid programs. It is interesting to note in this connection that I had personally talked with colleagues who have visited Formosa and they have told me months ago that we had entirely too many civilians on that island. Over half of the total 15,000 Americans are not in any way connected with the military departments. I think among other reasons for the recent demonstration on the part of the Chinese Nationalists against Americans is that fact that these people resent our superior standard of living and I, for one, am convinced that food distributed in the name of the United States to hungry people throughout the world will do more to improve American relations with the remainder of the world than many of our present programs involving a tremendous number of civilian personnel.

In the committee report, attention is invited to the need that we have in the United States to help develop new markets for agricultural commodities on a mutually benefiting basis with other countries. I should especially like to emphasize the possibility here with our neighbors to the south. I feel that we have been overlooking our South American neighbors. There are many countries in South America who have an abundance of mineral resources but can never develop agriculture as we can here in the United States. Certainly one of the most important needs for developing agricultural markets is to give other nations dollar reserves with which they can buy our products. An ideal relationship, it seems to me, could be promoted with many of our South American countries where we, in exchange for their mineral resources, could ship to them agricultural commodities that are in such great surplus in our own country.

Many times I do not think we recognize the fact that our trade in all commodities, agricultural or otherwise, is most promising with nations that have high standards of living. Canada, our best customer, has a high standard of living. Often as our programs of assistance to other parts of the world have given to these undeveloped nations a desire for economic improvement, we find that agriculture suffers to a certain extent because the need for heavy machinery and other mechanical equipment gets first attention on the part of these nations in order to improve their own economies. I think it should be stressed, also, that many times we have a favorable trade balance with nations, such as Cuba, that benefit the whole of American economy, but at the same time, does not benefit agriculture as such. I voted for our present sugar program, for example, and will continue, I think, to vote for it, because among other things, it helps the friendly nation of Cuba. Cuba, in turn,

buys a tremendous amount of goods from the United States, but most of these goods are in areas other than agriculture. In the Everglades section of Florida we could produce enough sugar to feed the world, and yet our sugar growers in America are not permitted to produce enough sugar to feed the United States because of our trade program with Cuba and other nations of the world. I repeat again that I voted for this sugar program, but it points out some of the difficulties facing American agriculture.

Another point which should be mentioned here is the fact that many times we hear expressed the sentiment that our agricultural programs benefit only the producers of the six basic crops—rice, tobacco, corn, wheat, peanuts, and cotton. It is interesting to point out that through Public Law 480 that \$97 million worth of feed grains have been exported to foreign nations, \$251 million worth of fats and oils, and \$48 million—approximately—of other products, have been exported to other nations. It should also be pointed out that section 32 funds, which of course, are not a part of Public Law 480, but which specifies that funds from import taxes on agricultural commodities shall be used for the promotion and sale of agricultural commodities that are not the basic crops, have accounted for the disposition of literally hundreds of millions of dollars worth of beef, pork, vegetables, milk, and other items.

I should like to comment briefly on the value of title II, which authorizes a program by which we can help friendly foreign people in time of need. You may recall that just recently this program has been used to help feed Hungarian refugees in Austria. Title III deals with barter and with domestic donations. I think the fact should be emphasized that under titles II and III, in the fiscal year 1956, more than 2 billion pounds of food were distributed to needy persons at home and abroad, and of this amount 789 million pounds were distributed in the United States.

Let me repeat again what I have said before. So often we hear criticisms that we are taking care of people all over the world and do not attend to the needs of our people at home. Every State in the Union can set up a program to receive donations under title III for their needy people. There are 3,443,803 persons in the United States from 39 States, Alaska, and Puerto Rico receiving food under title III of this bill in family units. In addition these foods are going to about 12 million schoolchildren, and to 1.4 million persons in charitable institutions.

In foreign countries, these surplus foods are distributed primarily through voluntary relief agencies, chiefly of a religious and charitable nature. I emphasize again that I have been very much impressed with the fine program that our religious and charitable groups here in America have developed for the distribution of this surplus food in foreign countries. I think we must always keep in mind that this food should clearly indicate that it comes as a gift of the taxpayers of the United States.

Our various groups in America, in my opinion, have done a fine job in this connection. I want to repeat again what I have said earlier—that to me a hungry person in a friendly foreign country receiving food through a voluntary American organization which tells the recipient that the food is a gift of the taxpayer of the United States—does more good in winning friends and influencing people for the cause of the free world than almost any other single thing we are doing. I believe the American people would be willing to expand this program, provided, of course, they realize that the food is not used to keep in power a particular person or group of persons but is used for direct relief purposes as our people have every right to expect. I think more use should be made of title II, especially as it concerns the authority to assist refugees.

I should like to emphasize here, again, the fact that all kinds of agricultural commodities have been used under titles II and III of this program. To give some specific totals for fiscal year 1956 and through the months of July to March of fiscal year 1957, the following amounts of commodities have been distributed: dried beans, 204 million pounds; butter, 272.7 million pounds; butter oil, 99 million pounds; cheese, 424.7 million pounds; eggs, 36.2 million pounds; frozen hamburger, 66 million pounds; lard, 59.4 million pounds; milk, nonfat, dry, 899.4 million pounds; pork, 164.7 million pounds; shortening, including cottonseed oil, 64.2 million pounds; sweetpotatoes, 21 million pounds; frozen turkeys, 25.2 million pounds—and other commodities 19.4 million pounds.

Mr. Chairman, I hope that H. R. 6974 receives the unanimous approval of the House. It is a bill of many facets. It will help some, I hope, the plight of the American farmer. Time and time again we have been told here on the floor of the House that the American farmer has not participated in the general prosperity of the Nation. This is true because he is caught in the price squeeze. He has no organization to demand a fair return for his product. He cannot compete in a protected economy unless he, in turn, gets protection from the Government. The farmer continues to pay more and more for what he buys and he gets less and less for what he sells. His share of the consumers' dollar is below 40 cents. In some commodities, of course, much less, and a few commodities a little more. If we could just devise a program whereby the farmer could get a fair share of the consumers' dollar I believe his problems would be solved. The soil bank has not proved to help the current income of the farmer, and has positively proved damaging to the economy in the rural areas.

In my own Eighth District of Florida we shall probably have ten to twelve millions of dollars less in circulation this year because of the soil bank. The farmer is receiving income from the soil bank, but that income is less than what he would receive if he cultivated his land and were paid a reasonable price for what he produces.

The small merchant, the automobile dealer, gasoline dealer, professional man, in rural areas all are suffering today to an extent that I still do not believe is recognized by the public at large.

The soil bank was intended to help cut down the huge surplus of agricultural commodities, and I hope and pray when we take stock at the end of this year we find that it has. This, of course, in itself, will help the farmer, and his goods will bring more in the market place.

The extension of Public Law 480 is a device also to get rid of agricultural commodities in surplus, and by so doing help the farmer. It goes much further than that, however, and Public Law 480 is a tool to help us in the struggle with Communist Russia. It is a means not only of promoting the best interests of American agriculture, but it is a method whereby we feed hungry people at home and abroad, and by so doing we reflect the humanitarian impulses of our people, which have been the strength of our Nation since the founding of the Republic.

(Mr. MATTHEWS asked and was given permission to revise and extend his remarks.)

Mr. AUGUST H. ANDRESEN. Mr. Chairman, I yield 2 minutes to the gentleman from Washington [Mr. PELLY].

(Mr. PELLY asked and was given permission to revise and extend his remarks.)

Mr. PELLY. Mr. Chairman, every time this House considers a measure seeking to resolve an agricultural problem, which is the objective of H. R. 6974, I keep comparing the situation with tranquilizer pills. In other words we keep passing legislation to ease tension and worry over farm problems, but we do not courageously meet the illness with major medical or surgical treatment to try to cure or remove the basic cause of the worry.

I was told that the Congressional Digest's last recapitulation showed my voting record indicates 77 percent in support of the President's program. If so, it would have been better had I supported the soil bank, but the distinguished chairman of our Agriculture Committee urged termination of the plan to allow time for his committee to come up with a more workable program. Of course that is wishful thinking. I doubt if the House Committee on Agriculture, or if the Department of Agriculture is going to come up with a plan; we will continue with tranquilizers in the way of special treatment to ease the suffering.

These pills are pretty expensive—and in spite of what one hears and reads, I fear are habit forming. The cost to the American taxpayer represents about \$1,000 for each farm in America. There are about 4.9 million farms and our farm subsidy amounts to about \$5 billion.

Last Sunday afternoon CBS and its television show "Face The Nation" had Nikita Khrushchev on a nationwide hookup. Maybe much of this show was propaganda, but Khrushchev was not exaggerating, I am sure, when he made the

prophecy that our grandchildren in America will live under socialism.

Does not our Federal Government subsidize our farmers to the extent of 46 cents of every dollar of agricultural income? I call that a reasonable basis for Khrushchev's prediction. The nature of socialism is such that the individual exchanges his personal freedom and individualism in return for collective benefits. But once the individual barterers his rights away only by means of outright revolution can the state be forced to cancel its authority and revert to free competitive enterprise and individualism.

Khrushchev is quoted as saying that our grandchildren will not understand how we, their grandparents, did not understand the progressive nature of a Socialist society. I would say "how true" to that—for certainly the people who support tranquilizer programs for the farmer are blind to the danger of socialism and communism inherent in such legislation.

The Farmers' Union, meanwhile, says we are not progressing fast enough; the more conservative Farm Bureau believes its policies are those of a capitalistic free society. As for me, all I ask is that the people of America be given the facts, because few persons I have ever found want socialism and I think a little courage and sacrifice is the answer.

Congress has been too kind at times. We have exempted farmers from paying the gasoline tax; we have exempted his trucks and produce from regulation on the highways; we reimburse farmers for fertilizer and lime; we support peanuts as if it were a basic crop; we subsidize his power and telephone bills; we loan to him at artificially low interest rates; we give free information on how to increase crop yields; we take his surplus products off his hands; we give him dollars and the Government takes foreign currency.

Actually is not our agricultural industry pretty close to socialism now?

We need a new program more than an extension of the old one.

We are asked for authority so the Secretary of Agriculture can barter with socialistic European satellites of the Soviet Union. Why not repeal section 304? Really the truth is we have a Federal system of socialist management, distribution and control. The difference between the Soviets and ourselves is small. Our Federal Government has not taken over the ownership of farms—that is about all. But as Khrushchev believes it may well have to take over the ownership before too long.

The passage of tranquilizer legislation soothes the American people into the illusion that we do not have collectivism already to a high degree.

I am willing to vote to increase the authority from \$3 billion to \$4 billion of farm products the Government can sell from its stocks to other nations as provided by this bill. But I will only support the increase because it will be Federally owned products we will be disposing of and because the sale will reduce the huge bill for rental which the Commodity Credit Corporation is forced to pay to store these surplus crops. Also, of course,

the surplus crops will spoil if we do not dispose of them.

Meanwhile where is the new program to replace the soil bank plan which admittedly has not worked? Are my city consumers to continue paying 46 cents of the farm income dollar and also pay artificially high food prices, too?

Every American has a right to expect of Congress that the basic farm problem be solved within the framework of the free enterprise system. I am awaiting the workable program the chairman of the House Agriculture Committee said he hoped to bring us.

Mr. AUGUST H. ANDRESEN. Mr. Chairman, I yield 1 minute to the gentleman from Illinois [Mr. MASON].

(Mr. MASON asked and was given permission to speak out of order.)

Mr. MASON. Mr. Chairman, I take this time to notify the Committee that the Army today issued a news release which the ticker tape says was agreed to by the Republican leaders at the White House at the last conference to the effect that the Girard boy, from Ottawa, Ill., who killed a Japanese woman while he was on duty, is to be turned over to the Japanese for trial; in view of the fact that the international situation is tense, following the Formosa riots, we now propose to give up our sovereignty and turn this boy over to the Japanese to try, in order to prevent or head off another international incident such as the Formosa riots. Is that what our American soldiers can expect in the future? Are we to forget principle and be guided in the future by appeasement even if it means sacrificing the lives of our own boys?

Mr. AUGUST H. ANDRESEN. Mr. Chairman, I yield 1 minute to the gentleman from Illinois [Mr. SPRINGER].

(Mr. SPRINGER asked and was given permission to revise and extend his remarks.)

Mr. SPRINGER. Mr. Chairman, I do support the enactment of H. R. 6974. This bill would extend Public Law 480 for 1 year and increase the authorization by \$1 billion. No appropriation or expenditure of funds are involved.

I was 1 of the 5 Congressmen who introduced this legislation early in 1954. The others included the gentleman from Texas [Mr. POAGE], the gentleman from Texas [Mr. BURLESON], the gentleman from Minnesota [Mr. Judd], and the gentleman from Nebraska [Mr. HARRISON]. All of these men and myself introduced these bills after long and serious consultations with all three of the national farm organizations. These included the American Farm Bureau Federation, the National Grange, and the National Farmers Union.

It was their feeling and ours that there was no other way in which our surpluses could be disposed of within any reasonable length of time. Many of these surpluses were in a seriously deteriorated state, and disposal in some form was imperative. It appeared to us at that time that the disposal of these goods in foreign markets for foreign currencies was reasonable and in the

best interests of our country. I might point out that this was the first departure which this country had made in its entire history in which we had not demanded dollars in return for our produce.

In this respect the program has worked far better than we expected when it was enacted. We have found uses for the native currencies in our foreign-policy programs in all of the intervening years. We have been able to pay operating expenses of this Government in the various countries where this program has been in effect.

I am sure all of us who are vitally interested in agriculture are heartened by the progress which has been made in expanding agricultural exports. Last year's exports were the highest in quantity for the last 30 years.

The gain in exports is proceeding at an accelerated rate during the current season. For the first 6 months of the fiscal year July 1, 1956, to July 1, 1957, overseas shipments totaled approximately \$2.3 billion in value. This is 40 percent higher than the export total on the same date last year. It appears that for the entire 1956-57 season, our agricultural exports will total as much as \$4.4 to \$4.5 billion. The attainment of that level would mean new alltime highs in both value and volume—far above all previous records.

My purpose today is to present a statement on the contribution that the Public Law 480 sales program has made and is continuing to make to the expansion of export markets for surplus agricultural commodities.

WHAT IS PUBLIC LAW 480?

On June 30, 1954, the 83d Congress passed the Agricultural Trade Development and Assistance Act of 1954.

This law, more commonly referred to as Public Law 480, authorizes disposal programs of three different kinds: First, sales for foreign currency; second, gifts of surplus commodities to combat emergency needs abroad or to help meet continuing relief needs at home or abroad; third, a strengthening and emphasis of the CCC program for the exchange of agricultural surpluses for strategic materials or other materials needed by United States agencies abroad.

COTTONSEED AND SOYBEAN OIL

The programming and shipment of cottonseed and soybean oil under title I in 1955-56 was the key factor in keeping cottonseed and soybeans out of CCC hands. These activities have added millions of dollars to the incomes of soybean and cottonseed producers. Nearly 600 million pounds of these oils were shipped abroad under the foreign currency program last year and this helped push edible oil exports to a record level of almost 1.2 billion pounds, about 55 percent higher than the previous record level. The large exports of oils together with record exports of soybeans kept soybeans and cottonseed above support levels last year. Despite the fact that farmers placed about 30 million bushels of soybeans under price support in 1955-56,

only a few thousand bushels were taken over by CCC and these were sold easily.

The record 1956 harvest of 456 million bushels of soybeans, almost 84 million bushels higher than last year's level, made marketing conditions look dark last fall. But again title I has proved of great help. Already title I exports have accounted for over one-third of the 350 million pounds shipped abroad during the first 3 months of the season. For the entire season, combined exports of cottonseed and soybean oil should approximate last season's record with the continued strong help of Public Law 480.

Even though we have a soybean crop about 84 billion bushels larger than last year, the quantity under loan currently is only 30 million bushels higher. This is solid evidence of the strength that the Public Law 480 program is contributing to markets. We will probably end the season with some beans in CCC hands, but the amount is being reduced because of the strong action being made to move surplus oil under Public Law 480, and during the heavy marketing season price levels have been maintained above the increased support level.

LARD

Lard exports which totaled about 625 million pounds in 1955-56 have done much to ease the pressure on the livestock industry. Public Law 480, title I, shipments accounted for 100 million pounds of this total. This was of material assistance in reaching this export total. It is expected that lard exports under the foreign-currency program will be at the same level this year. These exports helped to bolster lard prices during the last few months, which, in turn, contributed to the great improvement in prices that hog producers have been experiencing.

WHEAT

The surplus holdings of wheat have grown larger each year since 1952-53. But in 1956-57 for the first time in 5 years the surplus should be reduced by about 50 million bushels.

The reversal in surplus accumulations is due almost entirely to expanded exports which have risen from 220 million bushels in 1952-53 to 344 million last year. The Department of Agriculture some time ago estimated wheat and flour exports for the current season at a minimum of 415 million bushels. Now it appears that exports could reach 450 million bushels.

A large share of the credit for this gratifying outlook must go to Public Law 480 and particularly to title I. Exports for foreign currency have increased from 24 million bushels in 1954-55 to 93 million bushels last year and are expected to equal or exceed 150 million bushels this year. Much of these shipments are going to countries like India which is finding it possible to expand consumption of wheat as the result of their ability to make purchases in their own currency.

The possibility of a cut in the surplus wheat stockpile is even brighter for 1957-58. With prospects good for continued high level exports and a substantial reduction in wheat production because of the soil-bank program, the re-

duction in the wheat carryover at the end of next season should be much larger than the 50 million bushels in sight this year.

Finally, the effect of increased exports and larger purchases of free market supplies by private traders for export has meant more money in the pockets of farmers. As of mid-January, wheat prices at the farm level were about 10 cents per bushel more than at the same time last year.

SUMMARY

The request for the extension of this program will permit the United States to program agricultural commodities for the fiscal year 1958 at about the same annual rate as in the past 2 years. It will permit us to plan our disposition programs well in advance for next year and facilitate the orderly disposal of commodities during that period.

In programing the additional authorization our emphasis will continue to be concentrated in underdeveloped, low-income countries. Sales will be made to expand consumption, to regain or establish new markets, to meet foreign needs arising from crop failures, and to expand reserve stocks overseas.

The administration has limited the request for the additional authority to a 1-year extension because it believes it desirable that the results obtained under this program be subjected to a periodic review. This request also emphasizes the administration's position that Public Law 480 is a temporary program designed to deal primarily with accumulated farm surpluses. Such a periodic review also permits consideration of alternative methods of surplus disposal and other actions aimed at expanding normal export markets.

Mr. Chairman, this law has worked successfully for 3 successive years. On the basis of accomplishment alone this authorization for an extension is deserved and in the public interest.

Mr. AUGUST H. ANDRESEN. Mr. Chairman, I yield 3 minutes to the gentleman from Maine [Mr. McINTIRE].

Mr. McINTIRE. Mr. Chairman, we have heard a very extensive discussion of this bill. I wanted to take the opportunity of putting into the RECORD my words of commendation of Gwynn Garnett, the Administrator of the Foreign Agricultural Service, and his deputy, Mr. Clayton Whipple, and all of those associated with them in the Foreign Agricultural Service and in the Department of Agriculture, for the job they have done in administering very complex legislation and the very complex problem with which they are dealing.

I think it is also appropriate that we commend our agricultural attachés for their efficiency in representing the interests of American agriculture abroad and reporting back to American agriculture the situations as they see them in countries in which we are very much interested in developing markets.

This is a very complex problem. We are dealing with surpluses which, of course, are a real problem. We are dealing with them as constructively as possible. We are opening the possibility of developing permanent foreign mar-

kets, which American agriculture sorely needs. I think we should look at some of these facts as well as some of the problems of the administration, because the primary objective of this legislation is sound.

I sincerely hope it will be supported by the Members of the House, recognizing the complexities of it, but I think in these areas in which this program is working it is developing for the American farmer outlets which would not otherwise have existed.

The program is saving the American taxpayers by converting commodities into money which can be used, and in that balance this program deserves our support for its extension as suggested in this legislation.

Mr. SPRINGER. Mr. Chairman, will the gentleman yield?

Mr. McINTIRE. I yield to the gentleman from Illinois.

Mr. SPRINGER. I should like to join in the commendation which the gentleman from Maine has made here today with reference to Gwynn Garnett, the Administrator of this program. I know of no man in this Government more dedicated and honest, and who has done a better job all the time he has been in this position, than Gwynn Garnett. He has had a wonderful background, having been legislative adviser to the American Farm Bureau Federation before he came into this job, having been with the State Department overseas, and having seen this problem first hand for a period of many months; so he has had the background and experience necessary to administer the law. I think he has certainly done a wonderful job in administering Public Law 480.

Mr. McINTIRE. I certainly concur in the gentleman's remarks.

Mr. AUGUST H. ANDRESEN. Mr. Chairman, I yield 3 minutes to the gentleman from Nebraska [Mr. HARRISON].

(Mr. HARRISON of Nebraska asked and was given permission to revise and extend his remarks.)

Mr. HARRISON of Nebraska. Mr. Chairman, I want to associate myself with what has been said about the Administrator of the Foreign Agricultural Service, Mr. Garnett, who has done an outstanding job in administering this legislation.

I ask for support of the bill H. R. 6974. I think it is very important that we pass it at this particular time. As was mentioned yesterday, I was one of the original sponsors of this particular legislation. I want to direct my remarks to the importance of it because of the importance of the agricultural industry. I think we are pretty much agreed here in the House of Representatives that the agricultural industry is one of the most important, if not the most important industry we have in this country, and that the agricultural industry more than any other industry is in trouble at the present time. It is in trouble because of the surplus commodities we have built up. We have been trying through these different measures of different kinds throughout the ages, more or less, to circumvent a very important law, the law of

supply and demand. We have not been able to do that and this law, Public Law 480, is the only piece of legislation, the only medium and the only vehicle we have been able to come up with to reduce our surpluses that are hanging over the heads of our farmers today with a depressing effect on markets. The farmer is in a fairly good position if he has a good market. We know how important it is to have a free market and to have these surpluses moved. Let me give you just one example. I think it is important that we realize the necessity for letting the law of supply and demand operate. You will remember a couple of years ago the pork industry was in a very bad situation because of an oversupply of pork. Today it is in a fair position, I would say a good position because the amount of pork has been reduced to the point where it is not in surplus and thus the price of pork is good. If we can put wheat, corn, rice, cotton, and other commodities in that position, we will put the farmer in a position that he wants to be, and the position in which he can get his fair share of the Nation's prosperity which he is entitled to. Public Law 480 is the only medium making it possible for the farmer to through reduced surpluses to improve his prices that we have come up with thus far to this date.

Public Law 480 has accomplished the following:

Operations under the law have grown rapidly in volume. Agreements were signed during the first year the law was effective, 1954-55, totaling \$488 million at CCC cost and \$362 million at export market value. In 1955-56, new agreements were signed in the amount of \$1 billion at CCC cost and \$636 million at export value. To date this year, additional agreements negotiated total \$1.4 billion at CCC cost and \$939 million at export market value. Thus, in 9 months of 1956-57 new agreements were concluded almost as large in total as in the previous 2 years.

Included in agreements signed to date are wheat, 430 million bushels; feed grains, 75 million bushels; rice, 22 million hundredweight; tobacco, 145 million pounds; cotton, 2.5 million bales; fats and oils, 1.6 billion pounds.

I think it would be useful to clarify one point—that is, the difference between CCC costs and export market value. As you know, the fund limitation in the law is in terms of CCC costs. This means that the authorization is charged the full cost of any commodities supplied under the program. Such costs include the cost of acquisition and carrying charges of price-support commodities, processing, transportation, and handling charges. Thus, during 1955-56 a bushel of wheat delivered to port resulted in an average charge of about \$3.30 to the authorization. The foreign buyer paid about \$1.65 a bushel which was the prevailing export price and this was the amount he was required to pay in his own currency. In general, to date the authorization has been charged \$3 for every \$2 worth of commodities purchased by foreign buyers.

Looking at results another way, exports in 1954-55 were small, totaling

about \$73 million at export value or about 2 percent of total agricultural exports. In 1955-56 title I shipments jumped to \$435 million which was 12 percent of agricultural exports. In the first 8 months of 1956-57 title I exports averaged about \$60 million monthly, 16 percent of our farm exports. And this rate should hold for the balance of the year. This is solid evidence of the contribution the title I program has made and is continuing to make to the booming export outlook.

The current \$3 billion authorization is virtually exhausted at the present time. Agreements have been signed for almost \$2.9 billion at CCC cost and the small balance will be used in a very short time. That is why action should be taken promptly on the administration's request for additional funds. I understand that hundreds of millions in new requests have been received which cannot be considered until new funds are made available.

Mr. AUGUST H. ANDRESEN. Mr. Chairman, I yield 1 minute to my colleague the gentleman from Minnesota [Mr. H. CARL ANDERSEN].

Mr. H. CARL ANDERSEN. Mr. Chairman, the debate on this measure has gone far afield. At times the arguments have been so far removed from the question before us that one walking into the Chamber might think another bill was being discussed. I plead with my colleagues to not let these extraneous matters interfere with their thinking in passing judgment on the merits of the Public Law 480 program. Let us consider this program on its own merits and let us not be influenced by collateral disagreements which have no relationship whatsoever to the matter at hand.

This is one of the best programs ever devised by any nation to help its less fortunate neighbors. This program offers the best possible outlet for our agricultural surpluses and how much better it is to see our excess food going into hungry bodies rather than be stored indefinitely at such great expense to plague and depress our own markets.

It is not only a good program of which the legislative authors may be justifiably proud, but it is one of the best administered programs in our Government today. The Foreign Agricultural Service of the Department of Agriculture has made this a really effective program. From Gwynn Garnett, the Administrator, to the agricultural attachés and their staffs all over the world we have had able and enthusiastic people carrying out this program. Some of them have testified before my subcommittee, and I have visited with some of the attachés at their stations abroad, and I can honestly say that I know of no more dedicated public servants anywhere in our Government. If for no other reason, we would be justified in extending this program because they have put so much time and effort into its development.

I repeat, Mr. Chairman, the plea that this program be considered on its own merits. If that is the case, I am sure this extension of the program will be approved by an overwhelming majority.

The CHAIRMAN. The time of the gentleman has expired.

Mr. AUGUST H. ANDRESEN. Mr. Chairman, I yield such time as he may desire to the gentleman from Connecticut [Mr. SADLAK].

(Mr. SADLAK asked and was given permission to revise and extend his remarks.)

Mr. SADLAK. Mr. Chairman, it is a matter of great importance that the United States and the free Western World wage their fight against international communism wherever it exists. The free democratic world must give active aid not only to Poland but to any satellite country liberating itself successfully from the shackles of Soviet despotism. We must meet the needs and the aspirations of these people who have lost freedom and who are struggling to regain it. We must never allow a situation to arise that would force them to turn despairingly back again to their Soviet masters.

I would today like to remind my colleagues that the disputed issue of aid to Poland is most ironical. With the start of World War II Poland was a free nation, and she was the first to sacrifice blood and people in defense of liberty. As our ally, she should have shared in the victory of the freedom she so gallantly defended. She belongs in the camp of the democracies, but her present plight is traceable to the Yalta infamy and betrayal in which we, to our everlasting regret, so shamefully participated.

When World War II ended, Poland was a terribly battered nation. Almost 9 million of her people were dead, most of them tortured and killed in the labor camps of Russia and in German concentration camps. Her only hope was the promise that we, the United States, gave her. As our ally, she was promised freedom and liberty. So it is now time for us to execute that promise. In her struggle for freedom, we are asked to help her not by use of force or threats of violence to her aggressors, but only by selling to her, from our abundant stock of surpluses, some wheat and some cotton which she so desperately needs. That is much too small a request not to have it granted.

It is being argued, however, that American aid should not be granted because it will contribute to the strengthening of a Communist regime. It is falsely suggested that economic aid from the West will in no way improve the living standards of the Polish people; that it will only be wasted and used in the interests of Soviet imperialism.

It is not to be denied that after Stalin's death there was a certain relaxation of the strict Communist rule. The people of Poland today are more and more losing their fear of the secret police. They talk more freely, listen to the radio, and exchange remarks and views on what they hear. They travel more. Everybody in Poland once again seems to be enjoying some measure of freedom, and what's more, they are determined to keep that freedom, and strive to complete it.

It is wrong to brand Gomulka as another edition of the Yugoslav dictator, Tito. We must not forget that the Western world embraced Tito even though he was and still remains a Communist, and his nation was and still is

communistic. If we can justify the fact that he qualified for our American support, does it not seem fair that Poland would be more deserving of our support because of her proven loyalty to the philosophy and traditions of the democratic way of life?

Has not Poland, for example, already restored almost fully religious freedom, including the right to religious education in schools for anybody demanding it? Religious freedom in Yugoslavia under Tito is nonexistent.

Our President and our Secretary of State have both commented favorably on the friendly desire of the Polish nation to cooperate with the West, and they are both perhaps in better positions than we to appraise existing relations between the Gomulka government and our own.

There is no doubt that American aid will strengthen the present Gomulka regime, but in so doing, it will also strengthen Polish independence. By giving aid, we will considerably advance the cause of restoring democracy to an unhappy but freedom-loving people. We will give encouragement and enable them gradually to push forward toward a democratic way of life.

What Poland needs is wheat, cotton, fats, coal mining machinery, and means of transportation.

Even though politically independent, Poland cannot afford to go it alone economically. Stalinism brought Poland to the brink of economic ruin.

I wish to emphasize, however, the point that the Poles are not asking for grants, but loans. They are not seeking relief-type help. They want to put an end to forced deliveries of grain and establish a free market, and they want to speed up decollectivization of farming. To accomplish this, they need considerable stockpiles of wheat as an offset to inflation during the changeover. They also want to obtain cotton for their textile factories to relieve their heavy dependence on the Soviet Union. Cotton is in extremely short supply in Poland with the continual threat of factory closings and unemployment. If Poland could obtain cotton from the United States, she would not be so dependent on Russia.

The mere fact that Poland has asserted her autonomy is the most hopeful development along the Iron Curtain in many years. Poland has pursued the kind of liberation policy we have been supporting—a policy short of war and solely from within. We must not fail her. It would only lead to discourage other satellite countries who would dare aspire to independence on the basis of promises from the West.

I urge the rejection of any amendment which would impede passage of this bill authorizing release of our farm surpluses to any nation struggling against Communist ideologies. Both commodities are in large surplus in the United States and I know of no better use to which these surpluses could be put.

It lies in our interest to have a free and independent Poland in Europe. It would be another step in the direction of realizing world peace.

Mr. COOLEY. Mr. Chairman, I yield 2 minutes to the gentleman from North Carolina [Mr. BONNER].

Mr. BONNER. Mr. Chairman, I want to compliment the distinguished chairman of the Committee on Agriculture [Mr. COOLEY]. As usual, he has brought in a splendid bill that carries out the love in his heart in supporting agriculture. I join him in supporting the bill and in his efforts for agriculture throughout America—East, West, North, and South.

I only ask for this time to ask the gentleman, my close friend from North Carolina, what he means by restriction on ships. On page 13, it reads:

Officials should also exercise to the fullest their authority to permit use of any available shipping when suitable space is in tight supply.

I would like to have the gentleman's attention. Does he mean in this sentence that he is trying to affect in any way at all the 50-50 provisions of the now existing shipping laws?

Mr. COOLEY. No. I do not have any idea of doing away with the gentleman's pet project of 50-50 shipping. I know that he is the guardian angel of the Coast Guard and the ships that sail the seven seas from all of our ports, but we want to see that they carry out the true intent and purpose of Congress in using shipping were shipping can be used more economically. For instance, even in our own State they are not using our ports along the North Carolina coast and in other places, but are giving preference to other ports. I was prompted to put this in by somebody from North Carolina.

The CHAIRMAN. The time of the gentleman has expired.

Mr. COOLEY. Mr. Chairman, I yield the gentleman 2 additional minutes.

Mr. BONNER. I am just as interested as anybody in selling our surplus agricultural commodities abroad, as provided in this legislation. But if it were not for the American-flag ships, the prices that would be asked by foreign-flag ships would be so high that you might not be able to ship all the material that you desire brought under this program.

Mr. BOGGS. Mr. Chairman, will the gentleman yield?

Mr. BONNER. I yield.

Mr. BOGGS. The distinguished gentleman knows that this body has expressed itself a half dozen times on this subject. On several occasions the committee headed by my good friend, the gentleman from North Carolina [Mr. COOLEY], chairman of the Committee on Agriculture, and also the Committee on Foreign Affairs, have tried to change this basic principle, and on each occasion the House has reversed them.

Mr. BONNER. I would say to the gentleman that was a friendly debate, and it has been decided permanently, and, I hope, forever.

The CHAIRMAN. The time of the gentleman from North Carolina [Mr. BONNER] has again expired.

Mr. COOLEY. Mr. Chairman, I yield myself the remaining time.

Mr. Chairman, frankness requires me to say that if I were permitted to do so, I would remove the 50-50 shipping provision, but I do not have the authority

to do it, and I have no intention of doing it, but I am anxious for the officials administering this program to treat all ports of the country fairly and equitably.

Mr. Chairman, I understand that some amendments will be offered, and that perhaps a point of order is being considered on this bill. First I want to reiterate that this is an administration measure. It was prepared by one of the Cabinet officers of the Eisenhower administration and transmitted through the Speaker to me, as chairman of the Committee on Agriculture.

I do not regard this as an appropriation bill. I do not regard it as an ordinary authorization bill. In section 101, the bill provides:

In furtherance of this policy the President is authorized to negotiate and carry out agreements with friendly nations or organizations of friendly nations to provide for the sale of surplus agricultural commodities for foreign currency.

Now that is one sentence. It authorizes the President to negotiate contracts by which we will sell agricultural surplus commodities to foreign countries for foreign currencies.

It seems to me that any restriction of that power which we have given to the President shows clearly a lack of confidence in Mr. Eisenhower and those who will assist him in administering this program.

On this floor today Members of Congress have complimented those who have administered this program up to now. It seems to me it is a rather late date for any Member of the House to try to restrict the President in the exercise of a power which you say has been well exercised in the past.

It is plain to see that if the President must first have approval of the Appropriations Committee and of the Congress, either one or both, the President will be hamstrung in conducting his negotiations. He could make only tentative agreements which would have to be submitted to the Appropriations Committee, and the Appropriations Committee would have veto power. Under such circumstances I believe that the administrators would be very badly handicapped in administering this law.

The suggestion has been made that we should not exempt any transaction from section 1415 of the Supplemental Appropriation Act of 1953. If the law is changed I still say that the President will be badly embarrassed and handicapped.

I want to read you one other proviso of the law which is as follows:

Provided, however, That section 1415 of the Supplemental Appropriation Act, 1953, shall apply to all foreign currencies used for grants under subsections (d) and (e), and for payment of United States obligations involving grants under subsection (f) and to not less than 10 percent of the foreign currencies which accrue under this title: *Provided, however,* That the President is authorized to waive such applicability of section 1415 in any case where he determines that it would be inappropriate or inconsistent with the purpose of this title.

It is plain to see that the Congress understood what it was doing at the time we passed this law and conferred this authority—and it is broad author-

ity—upon the President and upon his associates in the executive branch of the Government, it seems to me that if a point of order were to be made the time has long passed for the making of such a point of order, because, when this bill was here when it came from our committee no one made a point of order to any part of the bill, as I recall it.

Now I ask the committee to vote against the amendment, if it is proposed, which will hamstring the President in the prosecution of his efforts.

The CHAIRMAN. The time of the gentleman from North Carolina has expired. All time has expired.

The Clerk will read.

The Clerk read as follows:

Be it enacted, etc., That the Agricultural Trade Development and Assistance Act of 1954, as amended, is amended as follows:

(1) Sections 109 and 204 of such act are amended by striking out "1957" and substituting in lieu thereof "1958."

(2) Section 103 (b) of such act is amended by striking out "\$3,000,000,000" and inserting in lieu thereof "\$4,000,000,000."

(3) Section 203 of such act is amended by striking out "\$500,000,000" and inserting in lieu thereof "\$800,000,000."

Mr. COOLEY. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. COOLEY: On page 2, following line 3, add the following new paragraph No. 4:

"Section 104 (e) of such act is amended by striking out the semicolon at the end thereof and adding a comma and the following: 'for which purposes not more than 25 percent of the currencies received pursuant to each such agreement shall be available through and under the procedures established by the Export-Import Bank for loans mutually agreeable to said bank and the country with which the agreement is made to United States business firms and branches, subsidiaries, or affiliates of such firms for business development and trade expansion in such countries for the establishment of facilities for aiding in the utilization, distribution, or otherwise increasing the consumption of, and markets for, United States agricultural products. Foreign currencies may be accepted in repayment of such loans.'"

Mr. TABER. Mr. Chairman, a point of order.

The CHAIRMAN. The gentleman will state his point of order.

Mr. TABER. Mr. Chairman, this is an appropriation on a bill coming from a committee which has no authority to report appropriations to this body.

The CHAIRMAN. Does the gentleman from North Carolina desire to be heard?

Mr. COOLEY. Yes, briefly.

The CHAIRMAN. The Chair will hear the gentleman.

Mr. COOLEY. Mr. Chairman, I think I need only call the Chair's attention to the language right in the beginning of the amendment. It says:

For which purposes not more than 25 percent of the currencies received pursuant to each such agreement shall be available through and under the procedures established by the Export-Import Bank for loans mutually agreeable to said bank and the country with which the agreement is made to United States business firms and branches—

And so forth. That is clearly a limitation. If the money has heretofore been authorized and appropriated, clearly this is nothing more or less than a limitation, because it says "not more than." I do not see how you could have language that would more clearly indicate it is a limitation when you say "not more than 25 percent."

Mr. TABER. Mr. Chairman, the trouble with that is nothing would be available for the purposes set forth in this amendment if that were not there. That is the trouble with the argument of the gentleman from North Carolina.

Mr. COOLEY. As I understand it, the President now has the authority in existing law to make these agreements and to use the money as provided by law. This is in effect saying he shall not use more than 25 percent of it for these purposes.

The CHAIRMAN (Mr. HAYS of Arkansas). The Chair is ready to rule. The Parliamentarian has directed the Chair's attention to the fact that on July 18, 1956, in the consideration of a similar measure, the gentleman from Georgia [Mr. PRESTON], being Chairman of the Committee of the Whole, ruled on a point of order similar to that made by the gentleman from New York.

This is the ruling, and the reasons for it in the language of Chairman PRESTON, which the Chair adopts:

The gentleman has made a point of order against section 2 of the bill. The bill under consideration by the Committee seeks to amend existing law known as Public Law 480 of the 83d Congress. In the pending bill it is clearly evident that a new activity is being created by the legislation. New authority is being granted in the handling of the foreign credit derived from the sale of commodities. Therefore, in the opinion of the Chair, it constitutes an appropriation. The Chair, therefore, feels constrained to sustain the point of order.

The Chair sustains the point of order made by the gentleman from New York [Mr. TABER].

Mr. ROONEY. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. ROONEY: Page 2, line 4, insert:

"(4) Section 104 is amended by striking the words at the beginning of the section, which read as follows: 'Notwithstanding section 1415 of the Supplemental Appropriation Act, 1953, or any other provision of law', by striking the two provisos at the end of the section and by inserting the following proviso: 'Provided, however, That section 1415 of the Supplemental Appropriation Act, 1953, shall apply to all foreign currencies used under this section.'"

Mr. COOLEY. Mr. Chairman, I would like to reserve a point of order against the amendment offered by the gentleman from New York [Mr. ROONEY].

Mr. ROONEY. Mr. Chairman, the purpose of my amendment, and it is offered by one who is and has been in thorough accord with the purposes of Public Law 480, is to properly control expenditures of the funds of foreign currencies generated under Public Law 480. As was pointed out yesterday during general debate, without a control such as the one offered, we find at page 12 of the committee report on this bill that:

In many countries additional physical facilities, including perhaps a more suitable residence, would be of assistance to the agricultural attaché in selling American agricultural products.

Now, under the law as it stands, these agricultural commodity funds could be used, for instance, as I said a while ago, in Rome to buy a palace for the agricultural attaché, while the No. 2 man, who is frequently the chargé d'affairs, lives in a 6-room apartment, and this at a time, as was pointed out in the report of the House Appropriations Committee on the State, Justice, judiciary, and related agencies appropriation bill for 1958, at page 6 thereof, when the Government has already acquired real property valued in excess of \$150 million, consisting of some 201 office buildings, 128 principal officers' residences, 162 residences for senior officers and attachés, and 1,999 staff living units. Now, if this pending amendment is not adopted, these funds may be used to buy real estate all over the world on top of what the State Department has already acquired. The bulk of the acquisitions of the State Department were effected by way of foreign currencies in countries which owed us such foreign currencies.

As was pointed out yesterday on the floor of the House with regard to the educational-exchange program—and I and the members of my subcommittee on appropriations are all for that program—when, after having the State Department appropriation bill pass the House, pass the Senate, following extensive hearings in both bodies, go to conference, arrive at the amount \$20.8 million for this program and then come into this Chamber and find in the committee report on this bill—I believe it is at page 8 thereof—that the amount of \$17.15 million additional is being authorized for the same purpose, I think it is time to call a halt. All that the amendment presently before the Committee of the Whole provides is that section 1415 of the Supplemental Appropriation Act of 1953 be adopted and followed. That section provides that foreign credits owed to or owned by the United States Treasury will not be available for expenditure by agencies of the United States after June 30, 1953, except as may be provided for annually in appropriation acts and provisions for the utilization of such credits for purposes authorized by law are authorized to be included in general appropriation acts.

Mr. COOLEY. Mr. Chairman, will the gentleman yield?

Mr. ROONEY. I am glad to yield to my distinguished friend, the able chairman of the great House Committee on Agriculture.

Mr. COOLEY. As I pointed out a moment ago, this bill before the House is not an appropriation bill and does not purport to be.

Mr. ROONEY. The gentleman surely understands that each year now since this program was started the Committee on Appropriations has had nothing at all to do with the use of these funds in connection with the educational exchange activities, in connection with agricultural attachés, and so forth.

Mr. COOLEY. When this bill was originally before the House, as I pointed out a moment ago, I do not recall that any such argument as the gentleman is now making was then made. We gave the President the authority. The program has been operated successfully and well, and now, because we did put something in the report indicating that some part of these funds might be used to buy some homes abroad, it seems to me what the gentleman is doing is trying to take over for the Committee on Appropriations all of the negotiations looking toward the sale of surplus commodities. That would be a burden to your committee that it could very well ill afford to bear in this instance. In the second place, I do not think the Committee on Appropriations would be able to do a much better job than is now being done.

The CHAIRMAN. The time of the gentleman from New York [Mr. ROONEY] has expired.

(Mr. ROONEY asked and was given permission to proceed for 5 additional minutes.)

Mr. ROONEY. Mr. Chairman, I respectfully say that that is exactly the problem. Nothing is being done to check on these expenditures. The Department of Agriculture comes up here to the Committee on Agriculture and suggests \$17 million plus additional for a program which was provided for and passed by both Houses of Congress less than a week ago.

Mr. TABER. Mr. Chairman, will the gentleman yield?

Mr. ROONEY. I yield to the distinguished gentleman from New York [Mr. TABER].

Mr. TABER. Mr. Chairman, the gentleman has stated the situation quite clearly. When this bill was up before, as I remember it, it came in here under a rule waiving all points of order. The main legislation unquestionably contains appropriations and provides how funds may be distributed. But the extension that is before us now is also an appropriation bill because it extends an appropriation bill into a future time. There is not any question in my mind about that. I do not like to see these things brought in without an annual review by somebody representing the House of Representatives. The power of the purse is the power that Congress holds in this country.

Mr. VORYS. Mr. Chairman, will the gentleman yield?

Mr. ROONEY. I yield to the distinguished gentleman from Ohio.

Mr. VORYS. Section 1415 applies to all other counterpart funds except these; is not that the case?

Mr. ROONEY. I believe that is so.

Mr. VORYS. The purpose was this. We found counterpart funds were running into billions of dollars in value. We found this was real money and that it ought to be studied carefully and appropriated as carefully as we do with dollars.

Mr. ROONEY. We are talking about over \$1 billion in counterpart funds at the moment.

Mr. VORYS. And this item here is over \$1 billion that we are talking about. I can see no reason for making an exception to the rule that we apply to other counterpart funds.

Mr. COOLEY. Mr. Chairman, will the gentleman yield?

Mr. ROONEY. I yield to the distinguished gentleman from North Carolina.

Mr. COOLEY. I would like to ask the gentleman what would be the basis of your authorization to appropriate money? You must have an authorization to appropriate money before your committee can function. There is no authorization here in this proposal other than an authorization to sell personal property.

Mr. ROONEY. Mr. Chairman, may I say that my amendment finds no fault whatever with the general program. I am all for this surplus agricultural commodity program. My amendment is directed to what may occur after the proceeds have been collected.

Mr. BOGGS. Mr. Chairman, will the gentleman yield?

Mr. ROONEY. I yield to the distinguished gentleman from Louisiana.

Mr. BOGGS. Mr. Chairman, I asked the gentleman to yield to get some information. Does the gentleman know the total amount of the funds generated by Public Law 480?

Mr. ROONEY. Approximately a billion dollars.

Mr. BOGGS. How are those funds disposed of? What control does the Congress have over them?

Mr. ROONEY. The Congress has no control whatever over the great part of these funds. I shall ask the gentleman from North Carolina [Mr. Cooley] if that is not so?

Mr. COOLEY. No; you have control completely over 21 percent of the funds.

Mr. ROONEY. Then the Congress has no control over 79 percent of the funds.

Mr. COOLEY. And your committee should not have control over the other part of the funds, because if you do, you have control over all the negotiations and you would never sell a bushel of wheat or a bale of cotton.

Mr. ROONEY. We are not interested so much in the negotiations. We are more interested in the dollars and cents and what happens with regard to the funds generated under this program.

Mr. COOLEY. Look at page 8 of the committee report and you will see exactly what has happened with every dollar of the money that has been generated.

Mr. ROONEY. Exactly. Referring to page 8, Mr. Chairman, let me call attention to the fact that under "International Educational Exchange," which I mentioned awhile ago, there is the amount \$17,150,000, for translation and publication of documents, \$1.75 millions, and for the information program, which we just finished appropriating for 6 days ago, May 29, \$7.4 million.

Mr. BOGGS. Mr. Chairman, will the gentleman yield?

Mr. ROONEY. I yield to the gentleman from Louisiana.

Mr. BOGGS. The gentleman from North Carolina said that 79 percent of these funds were not under the control of Congress in any fashion.

Mr. COOLEY. I did not mean to say that; not under the Appropriations Committee.

Mr. BOGGS. If they are not under the Appropriations Committee, under whom are these funds?

Mr. COOLEY. These are funds properly made available to the President.

Mr. ROONEY. May I inquire of the distinguished gentleman from North Carolina how many days his committee spent in the hearings, which are not before the House at all, on this extension?

Mr. COOLEY. I do not remember how many days we spent on this extension, but I know we heard people from the State Department and the Department of Agriculture. I would say this: The committee room was packed and jammed with people, and I asked the question if there was a single witness in the room who was appearing in opposition to the extension of this bill, and there was not a single one there.

Mr. ROONEY. I am in favor of the extension of this law, but I think the matter of Congress controlling the expenditures is highly important.

Mr. BOGGS. Assuming the gentleman's amendment is adopted, what will be its effect upon the 79 percent?

Mr. ROONEY. If the pending amendment is adopted, the administration will go to the proper subcommittees on appropriations and justify the expenditure of these funds.

Mr. HARVEY. Mr. Chairman, will the gentleman yield?

Mr. ROONEY. I yield to the gentleman from Indiana.

Mr. HARVEY. The point that seems to be in controversy here and about which I am doubtful is whether in this case the Appropriations Committee would have to make the determination whether the President could sell these commodities, or how the determination would be made as to how the counterpart funds would be used after a sale had been made.

Mr. TABER. Mr. Chairman, will the gentleman yield?

Mr. ROONEY. I yield to the gentleman from New York.

Mr. TABER. No one would have any authority to interfere with the President in making a deal for these counterpart funds. He would absolutely have that authority. This amendment has no effect on his operations in making the deal. After the counterpart funds were obtained and were deposited in the Treasury of the United States, then any department that wanted to use them would have to come and justify the right to use them.

Mr. COOLEY. If the gentleman will yield, the very use of the counterpart funds constitutes a vital part of the agreement. You cannot make the agreement until you determine how the counterpart funds will be used.

Mr. TABER. There is nothing of that kind in the statute.

Mr. COOLEY. Everything is in the statute.

Mr. ROONEY. All the pending amendment seeks to do is to put this matter of the disposition of these foreign currencies on the basis on which we have had for years, that is, appropriate dollars to get the funds out of the Federal Treasury, the same as we do when we buy real estate for our diplomatic people all over the world.

The CHAIRMAN. Does the gentleman from North Carolina insist on his point of order?

Mr. COOLEY. No, Mr. Chairman; I do not think I will insist upon the point of order.

Mr. HIESTAND. Mr. Chairman, I offer an amendment to the amendment.

The Clerk read as follows:

Amendment offered by Mr. HIESTAND to the amendment offered by Mr. ROONEY: On page 2, line 4, insert "Provided, That all funds received from the sale of such surplus commodity shall be deposited as far as practicable in banks or branches of banks approved by the Secretary of the Treasury."

Mr. HIESTAND. Mr. Chairman, I shall be very brief. I doubt if there will be any objection to this amendment. I have secured the approval of the chairman, had his amendment been not subject to a point of order.

The point of this amendment is just this: We in times past have several times lost control of these counterpart funds by reason of the fact that the nations assembling them in their own currencies had deposited them in their own banks. When use of them was requested in a perfectly legitimate way, the State Department declined, stating that they had no control over those funds, that they were in other banks than those either owned or controlled by American banks. I suggest that instead of specifying an American-owned bank, we simply say "with the approval of the Secretary of the Treasury." Thus, the Congress and the American officials will have control over all counterpart funds belonging to us. I do not believe there can be any objection to the amendment, if it is intended to implement the amendment offered by the gentleman from New York.

Mr. ROONEY. Mr. Chairman, will the distinguished gentleman yield?

Mr. HIESTAND. I yield.

Mr. ROONEY. May I say to the gentleman I see no reason to deviate from the present system with regard to the State Department and the United States Treasury. I have no idea as to what an amendment such as this would result. It may be that it would result in a windfall to the Bank of America. I just do not know. Therefore, I respectfully urge that this amendment be rejected.

Mr. COOLEY. Mr. Chairman, will the gentleman yield?

Mr. HIESTAND. I yield.

Mr. COOLEY. I understand the purpose of the gentleman's amendment is to provide wherever possible that these funds should be deposited in American banking institutions abroad rather than in foreign banks.

Mr. HIESTAND. That is exactly it.

Mr. COOLEY. I stated to the gentleman personally I have no objection to it,

but I want to state to the Members of the House that I have no authority from the committee to accept the amendment, and I do not accept it on the part of the committee. It might be well, since some of us do oppose the pending amendment, if the gentleman would withdraw his amendment and offer it at a later time.

Mr. VORYS. Mr. Chairman, will the gentleman yield?

Mr. HIESTAND. I yield.

Mr. VORYS. I find in section 102 (b) of Public Law 480 there is apparently a provision for carrying out the provisions the gentleman suggests. For instance, at the tail end of this first sentence it says:

And for this purpose accounts may be established on the books of any department, agency, or establishment of the Government, or on terms and conditions approved by the Secretary of the Treasury in banking institutions in the United States.

It seems your proposal is already in the law, but it certainly has no place as an amendment to the pending amendment.

Mr. HIESTAND. Mr. Chairman, the instance I ran into where we did not have control over these funds by reason of their being deposited in a foreign bank was an instance several years ago. Since the gentleman from Ohio has cited the law possibly enacted since that time, I have no hesitancy in asking unanimous consent to withdraw my amendment.

The CHAIRMAN. Without objection, the amendment offered by the gentleman from California is withdrawn.

There was no objection.

Mr. COOLEY. Mr. Chairman, I rise in opposition to the amendment offered by the gentleman from New York [Mr. ROONEY].

Mr. Chairman, I do not believe the Committee on Appropriations has the authority to appropriate the sale of surplus agricultural commodities, nor do I believe they have a right to interfere with the negotiation of an executive agreement. Further, I do not believe that even a negotiated executive agreement gives the Committee on Appropriations the authority to interfere. This amendment, I know, was not intended to embarrass the administration. I do not think the author of the amendment had that in mind at all. I think the gentleman offered his amendment in good faith thinking that he is throwing some safeguards around the use of these foreign currencies. But, I think the effect of this amendment will be to embarrass the administration and to almost make it impossible for the administrator to negotiate successfully agreements which would result in the disposition of these commodities. If the gentleman who has offered this amendment could show wherein there had been abuses, wherein there is something wrong or something evil that is taking place, then there might be some justification for throwing some further safeguards around the funds. But, to this moment during this debate, no one has disclosed anything that would indicate the law had been misused nor has anyone suggested that it has been abused in any way. We want to know where the funds have been used. Look at our report on

page 8 and there you will see a detailed chart showing the use of the money. Yesterday someone asked about the possibility of some part of this money being used for entertainment purposes. I have tried to make inquiry on that subject. If any part of the funds have been used for entertainment purposes, it perhaps would come under the item, "Payment of United States obligations," or under the other item, "Marketing development."

I do not know whether any part of it has been used for entertainment or not, and as far as I am concerned I do not care whether some of it has been used for appropriate entertainment.

Mr. ROONEY. Mr. Chairman, will the distinguished gentleman from North Carolina yield?

Mr. COOLEY. I yield.

Mr. ROONEY. The gentleman is making a much more convincing argument than I could in behalf of the pending amendment. He says we do not know whether they are spending the money for entertainment or anything else. That is the purpose of the amendment; to find out what they are spending.

Mr. COOLEY. Under the Reorganization Act it is not the prerogative of the Appropriations Committee. Our committee is charged with the responsibility of exercising some degree of supervision. Perhaps there have been some rotten transactions, but none of them have come to my attention. I have assured this House that our committee will, when given authority to do so, investigate the use of these foreign funds abroad. I do not intend to vote for an amendment that I know is going to embarrass the administration and hamstring the administration in the performance of the functions which have been vested in them by the laws now on the books.

Mr. SPRINGER. Mr. Chairman, will the gentleman yield?

Mr. COOLEY. I yield.

Mr. SPRINGER. I think I can explain this. It has not come out yet. But many of these programs are entered into for as much as a 3-year program. Of course they cannot bind this Congress to go ahead, but we have signed 3-year agreements and entered into them. They must know how these currencies are going to be spent and what it is to be spent for. They will not be able to enter into these agreements, they will not enter into them. I think your program will be substantially and severely restricted.

Mr. COOLEY. Is it not true that the agreement, to which the gentleman refers, and all these other agreements, deal with the foreign funds that are generated by the sale of the commodity?

Mr. SPRINGER. Exactly. All of that is done at the time the sale is made.

Mr. COOLEY. And if we adopt this amendment we are taking away from the executive branch the right to negotiate and to consummate these transactions, and turning the finances over to the Appropriations Committee, which is already overburdened.

The CHAIRMAN. The time of the gentleman from North Carolina [Mr. COOLEY] has expired.

(By unanimous consent, Mr. COOLEY was granted 3 additional minutes.)

Mr. TABER. Mr. Chairman, will the gentleman yield?

Mr. COOLEY. I yield.

Mr. TABER. The trouble with that situation is that the bill that you have before the House right now expires in 1958, and there is no such thing as a 3-year contract.

Mr. COOLEY. Well, I am not sure whether the expiration would have anything to do with it or not. I understand that there is available for economic loans \$1,700,000,000; programed for loans \$386,000,000; left for loans \$1,300,000,000. That authority is already in the President. Certainly we would have to carry out the contracts he has negotiated and signed up to date. I do not think we should turn over to the Appropriations Committee functions which could be more properly administered by the executive branch.

Mr. ARENDS. Mr. Chairman, will the gentleman yield?

Mr. COOLEY. I yield.

Mr. ARENDS. It would prohibit more than 21 percent of the program becoming effective, would it not?

Mr. COOLEY. I think that is the effect of it. The other 79 percent will be left in the lap of the Appropriations Committee.

Mr. ABERNETHY. Mr. Chairman, will the gentleman yield?

Mr. COOLEY. I yield.

Mr. ABERNETHY. Does not the gentleman agree with me, as much respect as we have for members of the Appropriations Committee, that if this amendment is adopted the very objective and the heart of 480 is dead? This bill not only involves the sale of commodities, but it primarily involves the use of the funds as a result of the negotiated deal that the President has made with those countries.

Mr. COOLEY. I agree with the gentleman. I think that the situation is a misunderstanding. The use of the counterpart fund is a vital part of the negotiations and a vital part of the contract. If you say you are going to reserve to the Appropriations Committee the right to determine what use shall be made of the counterpart funds, then you are stripping the President of the authority given by the act to consummate a single contract.

Mr. ABERNETHY. In other words, the authority of the President to negotiate an exchange of this merchandise for dollars or for foreign currencies and the use of them thereafter would be completely cut off.

Mr. COOLEY. And suppose they wanted to build even a schoolhouse in some distant country; they would have to come to the Appropriations Committee and ask their permission to build this schoolhouse.

Mr. ABERNETHY. They cannot go back to the Appropriations Committee because there would be no deal made, no transaction unless the President is authorized to carry out some form of transaction.

Mr. GROSS. Mr. Chairman, will the gentleman yield?

Mr. COOLEY. I yield to the gentleman from Iowa.

Mr. GROSS. It is difficult for me to understand how there can be this accumulation of funds if the counterpart funds are disposed of. How could they have funds accumulate?

Mr. COOLEY. They are being held in abeyance to determine what use shall be made of them, as I understand; they are available for loans in the future.

Mr. HOFFMAN. Mr. Chairman, I offer a preferential motion.

The Clerk read as follows:

Mr. HOFFMAN moves that the Committee do now rise and report the bill back to the House with the recommendation that the enacting clause be stricken.

(Mr. HOFFMAN asked and was given permission to revise and extend his remarks.)

Mr. HOFFMAN. One purpose in offering the motion, but not the overriding purpose, to strike the enacting clause was to get a recess so that members of the Appropriations Committee and of the Agriculture Committee might get together, come up with something that would satisfy those who are in favor of this legislation.

My thought is that if the enacting clause is stricken and we get back into the House we might send the bill back to the committee with instructions to take into consideration the recent dangerous and deplorable situation which has arisen in the State of Michigan.

We are all familiar with the fact that various sections of the country have been given relief because of disaster. In Texas not long ago there was a drought but before money could get to them for relief of that damage floods overwhelmed them.

We are having our troubles in Michigan. It is possible that some of our unemployed workers and others who will be unemployed if the present situation continues or grows worse as it is, can use up a large part of this surplus.

You ask me why? Let me read to you, if I may, the headlines in the Detroit Sunday Times of June 2. Here it is: "Industrial Blight Saps City's Economy."

We all know that Michigan is a great industrial State. That Detroit is the center of our great industrial empire. Throughout the State we have small factories which get prime or subcontracts out of the Detroit area—contracts for the manufacture of parts that are used in Detroit industry. Here is what the first sentence of the Times story says:

"Proud Detroiters had better buffer up for a big shock.

"Dynamic Detroit soon could become decaying Detroit."

Do you realize what that means to the rest of the State and country? What will become of this great agricultural surplus if the Detroit workers cannot use their normal share of it?

And why that situation?

To me one of the saddest, saddest days I ever lived through was the day following the elections last November when we learned by radio, television, and press that our Democratic colleagues, our CIO Democratic friends, rather, had taken over every elective office in the State of Michigan. Was not that a catastrophe?

I thank you for the applause from the majority side of the aisle.

You sowed the seed when you let the CIO take you over and dominate your political philosophy. Now here you have the harvest of unemployment.

Do you get it? The Times, a Detroit daily, names it "Dynamic Detroit"—"Dynamic Decay."

The Department of Defense wished to let a contract for the building of \$119 million worth of Army tanks.

Detroit has more than 200 acres of idle factory floorspace. It wanted this contract. It has the equipment and the skilled workers to carry it out. But the contract was awarded to Chrysler operating in another State.

The Detroit Times captioned the story, "Tank Job Loss Stirs New Furor." The Sturgis (Mich.) Journal captioned its story, "Governor Blasts Army Secretary," followed by the statement, "Angered by Claim State Tax Caused Big Contract Loss." The Journal item states: "Gov. G. Mennen Williams today accused the Army of 'playing politics' with a tank contract issued to Chrysler Corp.'s Delaware plant." He added, "The Army is obviously playing politics with this tank contract."

Other dailies throughout the State carried similar stories.

Detroit, which is an industrial labor-distress area, to avoid unemployment disaster was looking for this order from the Department of Defense. Did Michigan get the order? It did not. Governor G. Mennen Williams charged, as just stated, that, in refusing to give it to Detroit, the Department of the Army was "playing politics."

Gov. G. Mennen Williams is now serving his fifth term. From almost his first day in office, he has been under the domination and control of the CIO, headed by Walter Reuther and Gus Scholle.

Although Michigan has a Republican legislature, remedial legislation has been effectively opposed by Governor Williams, who has the power of veto.

It is matter of common knowledge that the CIO's political bosses, with but 1 or 2 exceptions, have dominated the Governor's conduct. He has been dependent upon Walter Reuther and upon Reuther's political associates for his continuance in office. He is responsible for the financial situation of the State. He has insisted upon spending and upon taxation which has given Michigan a bad name with industry.

Sunday's Detroit Times states that 160 Detroit factories have closed since 1950. It asks "How many more move-outs should be expected immediately? Why the continuing exodus? A Detroit organization mailed out questionnaires and learned that 213 more firms now have definite plans to move out of the city."

Other industrial plants in Michigan, expanding, build their new facilities in other States. Why?

An industry, once located in a community, especially in an area where there is surplus skilled labor, is inclined to stay put just as long as costs can be

held down so that the product can be sold at a profit.

But in Michigan more and more industries are learning to their sorrow that an ever-increasing tax burden, with arbitrary demands from the Reuther-controlled unions, are making it impossible for them to continue to operate at a profit.

Reuther is responsible for the demands of the members of his union. No one begrudges an industrial or any other worker adequate compensation for his toil, but one thing is as sure as the rising or the setting of the sun, and that is that, if an employer cannot make and sell at a profit, the industry will be closed or moved.

Note this story on page 2 of the Detroit Times of last Sunday. The caption is "Bundy Moves Fab Operation; Blames Taxes."

BUNDY MOVES FAB OPERATION; BLAMES TAXES

All general fabricating operating operations of the Bundy Tubing Co. are awaiting transfer from the Detroit area to a new plant at Winchester, Ky., it was revealed Saturday. The firm makes small metal tubing and auto parts.

The move will result in indefinite layoffs for 22 men and 220 women employees.

They were told a study of Michigan's higher tax setup, both from Warren Township and the State, prompted the move to Kentucky.

CONTINUES ONE JOB

Bundy, however, will continue production of its Bundyweld base tube at the Warren Township plant, 12354 East Nine Mile, Van Dyke. It also will produce serpentine coils and push rods at the Nine Mile plant, which is being converted to provide more manufacturing space.

In an announcement to employees, W. W. Anderson, Jr., vice president and general manager, explained the company's decision to build a new plant in Kentucky instead of here. He said:

"We found, on comparing the various taxes which Bundy faces in Warren Township and the State of Michigan with the taxes in Kentucky, that Bundy would be subject to considerably less tax in the latter location. In fact, approximately \$45,000 a year less."

FEAR OTHER TAXES

"We are also, as of course you all know from articles in the newspapers, faced with the threat here in Michigan of additional or other taxes, any one of which we believe would increase our load."

Anderson said the possible additional taxes might come from Warren Township as well as the State. He said:

"For instance, a 6 percent corporation income tax, which has been urged to replace either the Michigan franchise or business activity tax, would make the difference in taxes somewhere between \$86,000 and \$93,000 a year, depending on which Michigan tax was eliminated."

SEEK TO CUT COSTS

Anderson said the company had found it necessary to expand tubemaking 20 percent and to have a new plant and an efficient operation to keep costs down. Old patents no longer protect the company, he said.

This objective is causing the Nine Mile plant to be converted and a new office building is being constructed.

If the general fabricating operations were also kept there it would cost the company

\$500,000 more than to locate in a new building in Kentucky, Anderson said.

Only a week or so ago, there was a wildcat strike in the Detroit Chrysler plant.

DETROIT AREA INDUSTRIES CANNOT GUARANTEE PERFORMANCE

There is another reason why armed services is not justified in awarding a contract to industries in the Detroit area.

That is the lack of assurance that the contract will be performed on time and according to its terms.

Without such assurance, those charged with the defense of our country cannot with safety award any contract to any area.

Let me cite an illustration of what is meant.

Do you remember way back 10, 12, or 15 years ago, when the Navy let a big contract in Detroit and the CIO closed the plant? Do you remember that?

In 1939, the Navy had a contract with the Bohn Aluminum and Brass Corporation of Detroit for the production of special bearings and castings for aircraft engines. The company was under the domination of Local 208 of the United Automobile Workers—CIO.

That union called a strike in all seven of the company's plants. In one instance, the strike continued for 24 calendar days; in the other, for 41 calendar days, and for a part of that time the union refused to permit the Navy to remove its own plans, specifications, or equipment, and "the delivery of completed castings, bearings, and parts, also those in the process of manufacture, was delayed for the duration of the strike." See exhibit A printed at the conclusion of these remarks.

When production for national defense can be delayed—not because of lack of appropriations—but at the caprice of Walter Reuther, unhampered by Governor Williams, the chief executive and law-enforcing agent of the State, the Defense Department is not justified in awarding a contract involving defense to any area.

Do you wonder why, if it is necessary for the armed services to get munitions of war, to get tanks, to get the other things they must have and by a certain date, the Secretary of the Army cannot place a contract in Detroit when he knows from the past record that the CIO, Brother Reuther and Brother Williams, Siamese twins—their demands, must be met or no delivery? You cannot do business in Michigan without the approval of both.

Governor Williams with his veto power has forced upon our people of Michigan a tax policy that is driving industry out of Michigan, creating a situation where the Secretary of the Army or of the Navy or of the Air Force dare not let a contract involving national defense in Michigan because the production may be stopped at any moment. At whose command? At the edict of Walter Reuther. Williams and Reuther have sown the seed and Detroit workers are harvesting unemployment.

EXHIBIT A (No. 253)

REQUESTING CERTAIN INFORMATION FROM THE SECRETARY OF NAVY ON CERTAIN MATTERS IN CONNECTION WITH A STRIKE OF EMPLOYEES IN THE PLANTS OF THE BOHN ALUMINUM CO. AT DETROIT, MICH. (H. RES. 314)—MR. HOFFMAN

NAVY DEPARTMENT,
Washington, October 20, 1939.

The CHAIRMAN, COMMITTEE ON NAVAL AFFAIRS,
House of Representatives,
Washington, D. C.

MY DEAR MR. CHAIRMAN: The resolution (H. Res. 314) requesting information from the Secretary of the Navy on certain matters in connection with a strike of employees in the plants of the Bohn Aluminum Co. at Detroit, Mich., was referred to the Navy Department by your committee with request for report.

The questions in the resolution are set forth below, the answer to each appearing immediately thereafter:

(a) Whether the Navy Department did have a contract with said corporation.

At the time the said strike was called, the Navy Department did have a contract with the Bohn Aluminum & Brass Corp., of Detroit, Mich., for the manufacture of special bearings for aircraft engines. In addition, the corporation was also engaged in the manufacture of special bearings and castings for manufacturers with whom the Navy Department had contracts.

(b) Whether a strike which interfered, or would interfere, with the activities of the Navy Department occurred.

A strike actually occurred in the plants of said corporation which did interfere with the activities of the Navy Department.

(c) How long such strike continued.

A strike was called at the corporation's plant No. 1, Detroit, Mich., on August 29, 1939. At the time the strike was called, plant No. 1 was engaged in the manufacture of special bearings for aircraft engines for manufacturers with whom the Navy has contracts. On September 15, 1939, a second strike was called at all of the seven plants of the corporation in the Detroit district in sympathy with the strike at plant No. 1 (bearings). At the time of calling the second strike, plant No. 2 was engaged in the manufacture of castings for airplane engines in process of manufacture at the Naval Aircraft Factory, Navy Yard, Philadelphia, Pa.; also castings for a manufacturer with whom the Navy has a contract for a special type of marine engine.

The duration of the strike in plant No. 1 (bearings) was from the 29th of August to October 8, inclusive, 41 calendar days. The duration of the strike in plant No. 2 (castings) was from September 15 to October 8, 1939, inclusive, 24 calendar days.

(d) Whether the delivery of bearings or parts which had been manufactured for the Navy, or of plans, specifications, or equipment, or any of them was delayed.

The delivery of completed castings, bearings, and parts, also those in the process of manufacture, was delayed for the duration of the strike.

The Navy Department was unable to obtain the return of the Government-owned patterns, plans, and equipment for the duration of the strike.

(e) What, if any, representations were made by the Navy Department to the corporation looking toward the ending of said strike.

No representations were made by the Navy Department to the corporation looking toward the ending of the strike.

(f) What, if any, representations were made by the Navy Department to the union

or its representatives looking toward the settlement of the strike?

On September 28, 1939, the United States Navy resident inspector of naval material at Detroit, Mich., informed the regional director of the United Automobile Workers, Congress of Industrial Organizations, Detroit, Mich., of the seriousness of the delay in the delivery of the material due on contracts, also the urgent need of the shipment of patterns and requested that he instruct his representative in charge of the picket line at the corporation's plant No. 2 to allow a representative of the inspector of naval material and a truck to pass through the picket line to pick up Government-owned patterns and ship them on a Government bill of lading.

The regional director of the United Automobile Workers, Congress of Industrial Organizations, sent three representatives of union local No. 208 to discuss the removal of the patterns with the inspector of naval material. The representatives of union local No. 208 were given full access to the files on the Navy contracts and they were informed that the delay in releasing patterns for delivery were seriously jeopardizing the manufacture of airplane engines at the Naval Aircraft Factory. At the end of the discussion, the union representatives stated that as the strike situation stood at the present time, their answer was emphatically "No," and that they would not let patterns or inspected castings be removed. No further action was taken by the Navy Department to remove the patterns and castings. The Navy Department kept in touch with the strike situation at the Bohn plants through its field representatives, and through United States Department of Labor, but took no steps looking toward the settlement of the strike.

Sincerely yours,

CHARLES EDISON,

The Acting Secretary of the Navy.

Mr. POAGE. Mr. Chairman, I rise in opposition to the motion offered by the gentleman from Michigan [Mr. HOFFMAN].

Mr. Chairman, there seems to be considerable misunderstanding about this matter of appropriations and why there should be some reluctance on the part of those who want to make this program continue to function to accept an amendment that simply says that the Appropriations Committee must appropriate any money that comes in as a result of this transaction. I agree that when the Federal Government has money, before it can be expended it should be appropriated. That is the proper way to spend public money.

But we do not have money in this case. We have wheat, we have cottonseed oil, we have soybeans, we have corn, we have cotton, and we want to dispose of those products. We find somebody who will trade with us if we will make a trade whereby their economy can avoid danger. They cannot buy dollars. They might convert their own currency into dollars and buy our commodities. They cannot afford to do that. Neither can any of these countries with which we are dealing allow us to simply take a lot of their money, put it in our pockets and say that we will use it any way we please.

These deals between nations cannot be made as are deals between individuals. Let us assume that we had a billion dollars of Mexican currency. If we could use that without any limitation anywhere in the world any day we wanted to, we could utterly destroy the economy of the Republic of Mexico any time we

saw fit. Suppose some other nation might hold \$10 billion of American currency and had the right to come in and demand its redemption in goods at any time in the world they laid the money down, they could absolutely destroy our economy. And so it is with the smaller countries, only in a much more aggravated way. They realize they cannot give us the right to come in without restriction or restraint and demand a redemption of their currency in goods at any time and in any way we ask. So a part of the agreement and a part of the sales price of these goods is the fact that we agree in each instance that we will use this money only for certain purposes. It is only because we make that agreement to use the money for certain purposes that these nations can afford to deal with us at all. They could not afford to deal with us if we demanded the unrestricted right to use this currency as if we got it in a normal commercial transaction.

So it is not simply the price which enables us to sell these commodities we are moving under Public Law 480. We are selling all of these commodities at a price which is the world market price. We are not giving these countries any concession on price. We are giving them the concession on an agreement that we will not use their currency in a way that will hurt their domestic economy. Now, if we cannot make those agreements and under the Rooney amendment we cannot make binding agreements at the time that we make the trade. Unless we can, we cannot sell these commodities. It seems to me to be just that simple. The method of the use of the local currency is surely a part of the consideration. What we are giving is not simply so much wheat, but we are giving in return for their pesos or their liras or their francs so much wheat plus the agreement that if you give us your lira, we will not use it to your disadvantage but use it only under certain circumstances.

Mr. VORYS. Mr. Chairman, will the gentleman yield?

Mr. POAGE. I yield to the gentleman from Ohio.

Mr. VORYS. Title I is entitled "Sales for Foreign Currencies." What that means is this—

Mr. POAGE. Mr. Chairman, I cannot yield any longer, because my time is running out. I do not care what the title is or what it is entitled. We recognize that the sale has two parts, that the sale involves on our part selling a commodity and selling an agreement that we will do certain things with the foreign currency that we get in exchange. So, it is not a commercial sale. It is a sale, but it is a sale on conditions, and no nation can live without those conditions.

The point that many of us overlook—and I am surprised that a member of the Committee on Foreign Affairs should stand up here and suggest that we could trade with those people just as individuals could trade with each other, because nations cannot trade that way, and if you are going to have this trade, you have to keep the power to make these conditions.

The CHAIRMAN. The question is on the preferential motion.

The preferential motion was rejected.

Mr. McINTIRE. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, it is with the greatest respect for the gentleman from New York who has proposed this amendment and also the gentleman from New York who is the ranking minority member of the Committee on Appropriations that I rise in opposition to this amendment.

I think perhaps it has already been said, but if you will bear with me, I will repeat it, that we are dealing here substantially with commodities that are owned by the Federal Government. These commodities are being used in transactions with friendly countries, and the very bases of those transactions are the items of agreement or items upon which agreements have been made before any of these commodities can be moved from the Commodity Credit Corporation inventory.

Now, it is true that they generate funds that are held under this agreement, and before any transactions are consummated, the disposition of those funds is agreed upon. Now, with all deference to those who propose that this amendment would not interfere in any way with the development of these agreements, I think that the very mechanism of developing those agreements does not balance with that argument, because they are made before any of these transactions are consummated.

Now, I would like to direct a question to the author of this amendment, the gentleman from New York [Mr. ROONEY]. In the use of these funds it is my understanding that some of these funds are used in the manner of loans, which loans are developed and approved by the ICA, and these loans then are turned over to the Export-Import Bank for administrative or service purposes. In relation to the amendment which has been proposed, what would be the situation in regard to the funds which ICA has been using for loans from the funds generated under these agreements?

Mr. ROONEY. This pending amendment would include all the funds under this program to congressional approval. They would be justified to the Appropriations Committee just the same as the Mutual Security bill is justified to the Committee on Appropriations of each House, every year. There is a great deal of misunderstanding with regard to this amendment. We proponents are all for the program. We are for its becoming the greatest thing that ever happened. But we think the Congress is entitled to know what happens to these funds generated under the program. That is it, pure and simple. All this superfluous business about foreign currencies and these agreements, has nothing whatever to do with it.

The same and proposed procedure is followed in connection with the acquisition of buildings abroad by the Department of State. We appropriate the dollars, they go down to the Treasury and withdraw the foreign currencies and buy a piece of property, let us say, in Italy. That is all we seek to do by means of this pending amendment.

Mr. McINTIRE. Mr. Chairman, the reason I asked that question of the gen-

tleman from New York is that reference was made previously in the discussion only to such uses as the gentleman referred to at this point and I wanted to inquire as to whether or not it would also encompass the area of loans which are being worked out through ICA and serviced by the Export-Import Bank. I believe I have my answer.

Mr. ROONEY. In effect, this amendment would not interfere with such loans. Does the gentleman understand that the entire bill now before the Committee of the Whole is very clearly subject to a point of order?

Mr. MCINTIRE. I am not familiar with the technical nature of the bill and whether it is subject to a point of order.

Mr. COOLEY. Mr. Chairman, will the gentleman yield?

Mr. MCINTIRE. I yield to the gentleman.

Mr. COOLEY. If the gentleman from New York [Mr. ROONEY] and other Members of the House will read the chart on page 8 of our report, they can very clearly see what has become of the money. We do not have, I say unfortunately we do not have, a detailed breakdown. But I am sure that all I would have to do is to ask the Department to send up a detailed breakdown of the expenditure of counterpart funds.

There is one other observation I should like to make, and I think I am accurate in saying this: That all of the counterpart funds that are on deposit now here or elsewhere are already obligated in some sort of fashion. They were obligated by the very contract that was negotiated under which we disposed of the surplus commodities.

Mr. MCINTIRE. Mr. Chairman, I would like to reemphasize that point, because as I understand the operation of this act, these agreements are made prior to the development of any of these funds. It is my sincere opinion that this amendment will greatly interfere with the further continuation of the program and the equitable distribution of the funds; and also the fact that it would make it almost impossible to negotiate agreements under this restriction.

Mr. WHITTEN. Mr. Chairman, I offer a substitute for the Rooney amendment. The Clerk read as follows:

Amendment offered by Mr. WHITTEN as a substitute for the amendment offered by Mr. ROONEY: Add the following new paragraph: "Within 60 days after any agreement is entered into for the use of any foreign currencies, a full report thereon shall be made to the Senate and the House of Representatives of the United States and to the Committees on Agriculture and Appropriations thereof."

(Mr. WHITTEN asked and was given permission to revise and extend his remarks.)

Mr. WHITTEN. Mr. Chairman, I have offered that amendment as a substitute in the hope of bringing these different viewpoints together. I do not think there is anything more sound than to have the Committee on Appropriations—not because it is that committee, but an arm of the Congress to approve the use of funds, whether they are United States currency or foreign currencies which the Government has received and which nor-

mally would go into the Treasury for whatever they are worth. But I do believe that in this particular field we are dealing with something where the use of the currency is the come-on to the foreign country.

I am firmly convinced that unless this amendment as I have written it is accepted—let me put it the other way; I am convinced that in this type of operation if the President of our country had to wait upon the Committee on Appropriations and the Congress to approve each and every use of the currencies that would be generated by these sales as provided in the Rooney amendment, you never would have any Public Law 480 program.

I should like to add this, that in a moment I am going to offer another amendment which I hope will receive the attention and the support of the Committee. That amendment would provide that we not sell for a foreign currency any commodities we would not sell for dollars. I believe I can make you a very strong argument, supported by facts and figures, to show that we need that protection, but unless we let the President work out agreements which will also include agreements as to the use of the funds, if you have to wait for the Congress to act before you can make an offer or accept or agree, you will not have any real 480 operation. It is just as plain as that. You cannot wait on the Congress to tell the President whether they will permit the use of these foreign currencies in line with his agreements.

Mr. COOLEY. Mr. Chairman, will the gentleman yield?

Mr. WHITTEN. I yield to the gentleman from North Carolina.

Mr. COOLEY. I wonder if the gentleman from New York will not agree to accept the amendment offered by the gentleman from Mississippi. While I have no authority to speak for the committee, I think the gentleman has offered a constructive amendment, and I personally would approve the amendment the gentleman from Mississippi has offered.

Mr. ROONEY. Mr. Chairman, will the distinguished gentleman from Mississippi yield?

Mr. WHITTEN. I yield to the gentleman from New York.

Mr. ROONEY. May I say I am unalterably opposed to this substitute, for the reason that, referring to the situation that happened in connection with the education-exchange program, a bill just passed within the last 6 days by both Houses, the Appropriations Committee would have no control whatever if, having allowed \$20.8 million in that bill 6 days ago, you would then come along with an authorization of \$17 million on top of that, as is set forth on page 8 of this report. This amendment does not take the place of the one now pending.

Mr. WHITTEN. I regret that this has come up to where we do not have the time to dig into the facts in the case to which the gentleman refers. I agree with him it is bad practice for our Committee on Appropriations after months of work and having reported to the Con-

gress a full story on a program to find that through some other channel they have gotten funds to have many more employees than we realized. I realize it is bad for the gentleman from New York in his situation. But if my amendment which is offered as a substitute is adopted, the gentleman's committee would be notified what part of that program is being paid for with 480 funds and presumably would take that into consideration in determining how much new cash to give them.

I have the same problem the gentleman has; in fact, I suspect I have much more of it, because our Subcommittee on Agriculture will doubtless have more contact with this program than will the gentleman's own subcommittee. But I would urge again on the Members that if you do not permit the President to work out agreements with foreign countries as to what those currencies will be used for, a major part of them, you will have no agreement and you will have no sales.

I am going to offer another amendment in a minute. I do not think there should be any sales under 480 unless we stay in the market to sell for dollars. The record shows you can do lots of damage if you cannot sell what you have for dollars, but instead use 480 as a substitute. I hope the amendment I have offered will be adopted.

Mr. COOLEY. Mr. Chairman, will the gentleman yield?

Mr. WHITTEN. I yield to the gentleman from North Carolina.

Mr. COOLEY. The gentleman is a very distinguished member of the Subcommittee on Appropriations. When the capital stock of a corporation has been impaired, it is necessary for the gentleman's committee to pass upon the appropriation restoring the capital stock of that appropriation; is not that true?

Mr. WHITTEN. That is true.

Mr. COOLEY. Then the Appropriations Committee, on which the distinguished gentleman from New York is also a member, does have some responsibility and does have some authority as to whether or not it will restore that capital after it has been impaired.

Mr. WHITTEN. We have, but I would say to the gentleman that the Commodity Credit Corporation gets no credit on its books for the value of the foreign currencies, so there is real reason why the Appropriations Committee should have full knowledge of these activities. But if we have to approve it in advance, you will have no agreements and actually you will have no sales.

I hope the amendment is adopted.

Mr. VORYS. Mr. Chairman, will the gentleman yield?

Mr. WHITTEN. I yield to the gentleman from Ohio.

Mr. VORYS. Section 105 of this law provides that every department or agency using any foreign currency shall reimburse the Commodity Credit Corporation in an amount equivalent to the dollar value of the currencies used. So that this bill provides for restoring such impairment of the Commodity Credit Corporation capital as it may have caused without reference to the Committee on Appropriations at all.

Mr. WHITTEN. The gentleman has made a point there, but to my knowledge I do not recall that our attention has ever been called to a single instance in which any funds were returned to the Commodity Credit Corporation in all the days I have dealt with that corporation.

Mr. VORYS. That provision has been in the law. I do not know whether they do it.

Mr. MULTER. Mr. Chairman, will the gentleman yield?

Mr. WHITTEN. I yield.

Mr. MULTER. I think the gentleman overlooked the one important fact. Under your amendment, there would be required a report to the Congress and to the committees within 60 days after making the agreement.

Mr. WHITTEN. That is right.

Mr. MULTER. But, you do not say what shall be done after that. Suppose we disapprove? I think you need a provision added to your present amendment to permit the Congress to approve or disapprove of it.

Mr. WHITTEN. I say if the Congress has to agree in advance, which would be true under the amendment offered by the gentleman from New York, you would have no sales and you would have no agreements in my judgment, judging from how the negotiations have been carried on in the past. What my amendment does is to provide that an agreement as to how the funds would be used would be reported to the appropriate committees and any place where we are paying for our foreign-aid bill, from that fund presumably we would take that into consideration in the amount of money that we had in bills which are brought to the Congress.

Mr. BOW. Mr. Chairman, I rise in opposition to the substitute amendment.

(Mr. BOW asked and was given permission to revise and extend his remarks.)

Mr. BOW. Mr. Chairman, I am in opposition to the substitute amendment, which it seems to me is simply locking the barn door after the horse has run away. I favor the amendment offered by my distinguished chairman of the Subcommittee on Appropriations for the Department of State. But, I would like to refer back again to this question which he has mentioned many times about the international exchange program. Let us see just exactly what we are getting into here. Here is a program where last week the House approved the conference report and appropriated \$20.8 million. Here we find an additional \$17,400,000. This program is being extended for 1 year. What has happened to us? At the end of that year, representatives of the State Department and representatives who believe in the exchange program are going to come in and say, "Well, now, you approved this last year. You set this thing up on a \$37 million or \$40 million basis and now we have to continue it because we cannot offend these countries. We cannot cut down this program which already has been started." What would you be up against next year or the year after when this law expires? You would be appropriating dollars to carry on a

program you are establishing under this bill. So we have to look beyond this year. People talk about counterpart funds. I am amused at times when I hear people talk about these counterpart funds and they say these are not dollars—this is not money. I say to you, my colleagues, that these are some of the most expensive dollars that have ever been spent. We did not get these products for nothing. They cost us money. We got them with expensive dollars. I want to say I am in favor of this program. I believe in this bill. I believe in the method, but it should be controlled by the Congress. When you get into questions of international exchange and the translation of publications—that is the small-book program put out by the Information Agency—we gave them money in the State Department bill, but you build it up here and next year they are going to say, "Well, we have to have more."

Mr. COOLEY. Mr. Chairman, will the gentleman yield?

Mr. BOW. I yield.

Mr. COOLEY. The gentleman mentioned something about locking the barn door after the horse has run away. That would seem to me that the gentleman indicates he is not willing to trust those who are administering this program. Does the gentleman have any evidence that anybody has let the horse run away in this program?

Mr. BOW. May I say to the gentleman, and I decline to yield any further, of course, I trust the President of the United States. But, I will say to the gentleman that the President of the United States cannot take the time to sit down and review every item that this money is going to be spent for. The President of the United States cannot determine how large a house you build for an agricultural attaché in Rome. He cannot determine all of these various items. Those are things that our Committee on Appropriations handles. I say in our FBO, that is the foreign buildings abroad program today, we are using counterpart funds created under executive agreement, if you please, the same as these are. The President has entered into an agreement in the past. In the bill which you approved here just a few days ago, there was a provision for \$20 million for the FBO and I think \$15 million of which shall be in counterpart funds. We did not affect the negotiation of contracts by doing that. We did not affect how the President should deal in making these agreements. We are simply considering how counterpart funds will be used after such funds have been generated or created.

Mr. ROONEY. I should like to point out that in connection with the educational exchange activities program in the State-Justice bill there is a provision that of the \$23 million some seven or eight million shall be by way of counterpart funds.

Mr. COOLEY. I wonder why the Appropriations Committee did not ascertain during its consideration of this matter how much counterpart funds was being used for the purpose of the committee.

Mr. ROONEY. We certainly were informed on it, in answer to our demands. That is the reason we have this pending amendment. These things are done before the Appropriations Committee knows anything about it. Does the gentleman think the House Appropriations Committee would have the inexcusable temerity to be here with the silly unexplained explanation at page 8 of this report for over a billion dollars? You would expect us to work on this kind of expenditure for a month, from early morning until late at night. The House is entitled to that.

Mr. COOLEY. Why did you not ascertain from the officials of the Department how much of this was used for exchange education?

Mr. ROONEY. I just explained that we did do so.

Mr. COOLEY. But, notwithstanding that, you went ahead and gave the money and we had no control over the figure.

The CHAIRMAN. The time of the gentleman from Ohio [Mr. Bow] has expired.

Mr. SMITH of Mississippi. Mr. Chairman, I rise in opposition to the amendment offered by the gentleman from New York, and in support of the substitute offered by my colleague from Mississippi. The point that has been made in regard to lack of control, or the fact that the Appropriations Committee would not handle this appropriation ignores the purpose of Public Law 480 as it was first passed. These exchange programs have been referred to, and various other programs put through under the 480 provisions, paid for by counterpart funds, are a part of this plan to provide for the greater use of American commodities. That is why they are not handled by the Department of State, such as the educational-exchange program. These programs which are financed through the counterpart funds and which are authorized under this bill and which would be made impossible under the amendment offered by the gentleman from New York [Mr. Rooney], are designed to promote the use of American agricultural products to benefit the American farmer, and to benefit all of our citizens through the greater use of these products and by providing greater markets.

Mr. ROONEY. Mr. Chairman, will the distinguished gentleman from Mississippi yield?

Mr. SMITH of Mississippi. I yield for a question.

Mr. ROONEY. Just a short statement?

Mr. SMITH of Mississippi. A short question only.

Mr. ROONEY. Very well; if the gentleman insists. Would not my distinguished friend from Mississippi say it is a fact that the gentleman from New York who offers this amendment, insofar as his voting in his years in the House, has been a friend of the farmer?

Mr. SMITH of Mississippi. I understand that the gentleman from New York is a friend of the farmer. The only rivals that he has as a friend of the farmer from New York are perhaps the distinguished gentlewoman from New York or perhaps

the distinguished member of the Committee on Agriculture from New York City.

Mr. ROONEY. The gentleman does not give me an exactly satisfactory answer. Is the gentleman not proud of the fact that I have never voted the other way, against the farmer?

Mr. SMITH of Mississippi. I value the gentleman from New York as one of the finest friends of the farmer. He is also a great friend of the entire program overseas. I think he is really mistaken here, because if his amendment goes through it will handicap rather than help our efforts to sell farm commodities.

Mr. ARENDS. Mr. Chairman, will the gentleman yield?

Mr. SMITH of Mississippi. I yield.

Mr. ARENDS. I wish the gentleman from New York would be a friend of all farmers instead of just certain farmers, because I happen to have this record on the desk where he voted against the corn farmer legislation.

Mr. ROONEY. I voted with the best interests of the farmer and the chairman of the Committee on Agriculture on that proposition.

Mr. ARENDS. Let us keep the record straight. Here it is.

Mr. SMITH of Mississippi. I do not think there is any question about any of the 435 Members of the Congress not being friends of agriculture; the only question is whether they are right in their friendship at the moment.

What we are doing here if we adopt the amendment of the gentleman from New York is to make the provisions of Public Law 480 ineffective as far as permitting use of American agricultural commodities in the rest of the world and as it will affect making these agreements. It will make it impossible to work them out, because it will contain no provision for the payment for these programs through the sale of commodities for local currencies. There will be no way to work out agreements in advance if this amendment is adopted. I think that the full consideration that the Congress will give and the report it will make as ordered by the substitute amendment will convince us that we have had some good programs and are accomplishing something toward the disposal of surplus products.

Mr. ABERNETHY. Mr. Chairman, will the gentleman yield?

Mr. SMITH of Mississippi. I yield.

Mr. ABERNETHY. Would it not be fair to say that if this amendment is adopted it will result in the virtual repeal of Public Law 480?

Mr. SMITH of Mississippi. It will completely alter the method now used under Public Law 480 and it would be useless as a means of disposing of surplus commodities or promoting the further use of surplus agricultural commodities.

Mr. WHITTEN. The gentleman has reference to the Rooney amendment and not to the substitute.

Mr. SMITH of Mississippi. Of course.

Mr. FULTON. Mr. Chairman, I move to strike out the last word.

I would like to ask the gentleman from New York a question about his amendment. Actually the amendment

offered by the gentleman from New York strikes out the two provisos that are in the section referred to, section 104; does it not?

Mr. ROONEY. Yes.

Mr. FULTON. May I point out what that does. Section 104 reads:

SEC. 104. Notwithstanding section 1415 of the Supplemental Appropriation Act, 1953, or any other provision of law, the President may use or enter into agreements with friendly nations or organizations of nations to use the foreign currencies which accrue under this title for one or more of the following purposes:

Then the last proviso reads as follows:

Provided, however, That the President is authorized to waive such applicability of section 1415 in any case where he determines that it would be inappropriate or inconsistent with the purposes of this title.

I would point out that we would thereby be tying the hands of the President of the United States in his handling of Public Law 480, because we knock out the proviso that permits the President to waive applicability of section 1415 in any case where he determines it would not be feasible, or in the words of the act where it would be inconsistent or inappropriate, with the purposes of this title.

We must look at this Public Law 480 either as primarily a method for the disposal of agricultural surpluses or as merely a method of carrying out subsidiary programs abroad such as the education-exchange program, the information program, and so forth.

The trouble with the amendment offered by the gentleman from New York is two fold: First, it ties the hands of the President of the United States completely and puts the operation in the Appropriations Committee; and, second, it bypasses all committees which are legislative committees concerned with the type of programs abroad authorized by section 104. For example, the Banking and Currency Committee as to Export-Import Bank loans, should have the authority to pass on those programs if the Appropriations Committee is given the power to appropriate. The Foreign Affairs Committee then should have to authorize any program under its jurisdiction and be given the authority to pass on it. Does not the chairman of the Committee on Agriculture agree with me?

Mr. COOLEY. If the gentleman will yield, I agree with the gentleman. Again I would like to point out that if you adopt the amendment offered by the gentleman from New York you might as well throw out the whole business, because you deprive the President of all right to negotiate and transfer that power over to the Appropriations Committee.

Mr. FULTON. The third point is this: We have negotiations pending for the disposal of the United States surplus agricultural commodities abroad. Under the amendment of the gentleman from New York, the Executive must come to the Appropriations Committee to see if they will authorize the kind of pro-

gram that the counterpart money will be used for.

That is the program implemented by the agreement which provides the foreign currency. Unless we give the President latitude in this act to dispose of these surplus commodities for the purposes which everybody agrees on, unless we give him the power to negotiate, we tie his hands in dealing with these foreign countries on the sale of United States surplus agricultural commodities abroad, and the United States farm program suffers.

Especially do we tie the President's hands under the amendment offered by the gentleman from New York when it does not even let the President set aside the Appropriations Committee jurisdiction when he deems it inappropriate to require this delaying procedure. I do not wish to tie the hands of the President of the United States of America on foreign policy in that regard in negotiating these agreements for the disposal of United States agricultural surpluses, because these are necessary and sometimes confidential agreements that are being made. Of course, the Appropriations Committee, even in connection with the education exchange fund, has the power to look at the next appropriation and decide whether to give that program more dollars or counterpart funds, so that committee does have a pretty effective practical control. Likewise, as clearly pointed out in section 105, if any department of the United States Government uses any of these funds for their programs they must then supply the Commodity Credit Corporation with dollar funds of an equivalent amount of the value of the commodity or foreign funds used, is that right?

Mr. COOLEY. Yes; section 105 provides that. We are not faced with the question of where we are going to get the money. It is a question of what we are going to do with surplus commodities. We have passed the question of where we are going to get the money.

Mr. TABER. Mr. Chairman, will the gentleman yield?

Mr. FULTON. I yield to the gentleman from New York.

Mr. TABER. Is the gentleman in favor of tearing down the bars and not having any control in Congress of appropriations and what is done with the people's money? That is the trouble with this thing. If we do not have any restrictions or any control, the House of Representatives might just as well give up the ship.

Mr. FULTON. I respectfully believe the Agriculture Committee and the Appropriations Committee can exercise adequate supervision and control under the present act, and the Bureau of the Budget approves these provisions. We are discussing section 104 that authorizes the President of the United States to enter into agreements with friendly nations or organizations to dispose of surplus agricultural commodities already owned and stored by the Commodity Credit Corporation, and are not authorizing new funds. Secondly, under this section 104 there is the first proviso which refers to appropriations commit-

tee jurisdiction. I am surprised that if the great Appropriations Committee did not like it, they let the first proviso go in the legislation last year and the year before.

Mr. TABER. That was because they came in with a rule that permitted them to control it.

The CHAIRMAN. The time of the gentleman from Pennsylvania has expired.

(By unanimous consent (at the request of Mr. ROONEY) Mr. FULTON was allowed to proceed for 3 additional minutes.)

Mr. FULTON. Mr. Chairman, the first proviso under section 104 provides that under subsections (d) and (e), the programs must go before the House Appropriations Committee. That covers under (d) financing the purchase of goods or services for other friendly governments and likewise under (e) programs to develop balanced economic development and trade between nations. Likewise the section says programs to pay United States obligations involving grants under subsection (f) must go before the House Appropriations Committee. Also not less than 10 percent of the foreign currencies that are generated under this bill must go before the House Appropriations Committee. So this legislation is not a case where the Appropriations Committee has lost full control.

But under the amendment offered by the gentleman from New York, it will in all cases tie the hands of the President of the United States and will not give him any discretion ahead of time to dispose of United States surplus agricultural commodities without having the secondary programs individually approved.

Mr. ROONEY. Mr. Chairman, will the gentleman yield?

Mr. FULTON. I yield to the gentleman from New York.

Mr. ROONEY. There has been a lot of loose talk here this afternoon. It has been said that the President would not have authority to negotiate agreements. The pending Rooney amendment refers only to section 104 of this act.

Mr. FULTON. Yes.

Mr. ROONEY. Is the gentleman familiar with section 101 which says:

In furtherance of this policy, the President is authorized to negotiate and carry out agreements with friendly nations or organizations of friendly nations to provide for the sale of surplus agricultural commodities for foreign currencies.

Mr. FULTON. Yes, but here is the point. Your amendment is simply going to put the money from the sales of these United States surplus commodities into the United States Treasury and then the Committee on Appropriations decides what to do with it from there on, and the President does not have power to negotiate terms of agreements to make a program up with these countries. The President has to have the power to make a good agreement to get rid of the United States agricultural surpluses by agreeing to a lot of specific side programs, at the same time as he negotiates the surplus commodity agreements in many cases.

May I just point out to the gentleman who has just spoken, why does he not look at section 102 and try to amend it too, if he wants appropriation power?

Mr. ROONEY. The pending amendment does not apply to section 102.

Mr. FULTON. I know, but you should put the appropriation power in section 102, in to be fully logical on your amendment.

Mr. ROONEY. We do not want to do that. If you will approve the pending amendment, we will see what happens to these funds after they are generated under this program, and we might be building schoolhouses all over the world and buying palaces for agricultural attachés.

Mr. FULTON. Why did you strike out the second proviso which gives the President discretionary power to refer it to the Committee on Appropriations?

Mr. ROONEY. I will tell you.

Mr. FULTON. Because this is the crux of it.

Mr. ROONEY. To do a neat and clean job, we merely insisted that section 1415 be followed.

Mr. FULTON. Yes; and you are doing a good, neat, clean job doing that to the exercise of the President's power, too.

Mr. CURTIS of Missouri. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I rise to support the amendment offered by the gentleman from New York and also the position as expressed by the ranking minority member of the Committee on Appropriations [Mr. TABER]. I cannot for the life of me see the argument being presented by the Committee on Agriculture that this will in any way interfere with the agricultural surplus-disposal program. In essence, this is no more than a three-part program: One part is the disposal of agricultural products. Another is purely an appropriation bill, and all the details that you will find in the foreign-aid bill are in here, or, rather, they should be in here, but they are not in here; only the general substance of it is here. The third part of this program is ways and means, that is, providing the money whereby the operations are going to be paid for.

The orderly procedure, of course, on any program is to have the committee that is concerned with the overall legislation authorize the program, in this instance the Committee on Foreign Affairs, and they should authorize these programs. Then the Committee on Appropriations comes in and specifies what particular appropriations are needed on that program, and then we get the money. Now, how you get the money is not of too much concern to the committees, I regret to say. It is something we have to be concerned with though when we try to balance the budget.

Already the procedure has been utilized by the Committee on Appropriations to balance off the payments of some of these foreign-aid programs partly with new money from the Treasury, partly from money generated in these counter-part funds.

Now, there is no reason at all that the President in negotiating some deal on the sale of some of our agricultural com-

modities cannot go to a foreign country and say, "Now look. We have a certain foreign-aid program on our books that will permit us to spend a certain amount of money for schools in your country or for any of these purposes listed here, and some of this money that would be generated by your purchasing these agricultural products will go for that purpose under the authority of the Congress." There is nothing at all that prevents that from happening. As a matter of fact, that is the orderly way to proceed.

Mr. Chairman, I submit that this amendment proposed by the gentleman from New York is one of the most important amendments that we are going to have to vote upon, and those of you who are particularly interested in getting control over the foreign-aid program might as well save your breath when the appropriation bill on foreign aid comes up if you are not going to take an affirmative stand on this and at least turn over to the Committee on Appropriations the power to dig into these programs. There is at least as much money being spent under this guise as there is through direct appropriations.

Mr. HIESTAND. Mr. Chairman, will the gentleman yield?

Mr. CURTIS of Missouri. I yield to the gentleman from California.

Mr. HIESTAND. Do I gather that the gentleman from Missouri does not approve the substitute amendment offered by the gentleman from Mississippi?

Mr. CURTIS of Missouri. Oh, no. The substitute amendment is, as someone expressed it, like locking the door after the horse is stolen.

Mr. HIESTAND. But the gentleman from Missouri heartily approves the amendment offered by the gentleman from New York?

Mr. CURTIS of Missouri. I think it is one of the most important amendments that has been presented to this Congress in this session.

Mr. VORYS. Mr. Chairman, will the gentleman yield?

Mr. CURTIS of Missouri. I yield to the gentleman.

Mr. VORYS. Title I of Public Law 480 is labeled "Sales for Foreign Currency." It starts out by saying that the President is authorized to provide for the sale of surplus agricultural commodities. If, in addition, to being authorized to sell, the President is authorized to give away, then that title and all the rest of it is sophistry. However, in addition to being an agricultural surplus disposal bill, this is a foreign aid bill. This section, 104, authorizes foreign aid.

Mr. CURTIS of Missouri. That is right.

Mr. VORYS. But we ought to appropriate for that foreign aid after we authorize it. It is not merely a matter of committee jurisdiction. It is the way the Congress itself functions. First we say that we are going to approve a principle, we are going to authorize something. Then we say we want to take a second look at it and see how much money, domestic, or foreign money, we are going to spend on it. All that section 1415 does is to apply to these mounting amounts

of foreign currency the same rule that we apply to American dollars.

Mr. CURTIS of Missouri. Mr. Chairman, I think the gentleman has stated it exactly right. I cannot conceive, in any way, how this would interfere with the disposal of our surplus commodities.

Mr. HILL. Mr. Chairman, I move to strike out the requisite number of words.

Mr. Chairman, I hesitate to inject myself into this debate, but frankly either this is a good program or it is not; either Public Law 480 is worth preserving because of the type of work it has been doing in our relations with foreign countries or it is not. It is my personal opinion that we should pass this bill as it is, and not support either one of the amendments that have been proposed. I say, how are you going to use the Committee on Appropriations—and they are all friends of mine I hope—when we are trying to deal not only with large foreign countries who are in need of our surpluses but small foreign countries who are in need of our surpluses, for which we are going to take their currencies. This is strictly a barter program. I like the illustration of locking the barn door after the horse is stolen. That is fine, but in the amendments that have been proposed they lock the barn door before the horse ever gets into the barn. So there is no chance in the world for this program to succeed if we support these amendments. That is my personal opinion and I hope everyone within the sound of my voice realizes what he is doing.

Some of the things previous speakers have said are correct. They have made some wonderful statements on this program. But after all, here is a program we have developed during great emergency in the world today. We have the surpluses to give away. I think we had better embrace the bill as it has been offered here, almost as the Senate passed it, and then you will have very little trouble getting this bill down to the White House.

Mr. GROSS. Mr. Chairman, I move to strike out the requisite number of words.

(Mr. GROSS asked and was given permission to revise and extend his remarks.)

Mr. GROSS. Mr. Chairman, I was delighted to hear the gentleman from Ohio [Mr. VORYS] a moment ago properly label title I of this bill as strictly foreign aid. That is exactly what it is 100 percent, and it ought to be charged directly to the foreign giveaway appropriation.

I support the Rooney amendment and oppose the Whitten amendment. I know of no reason why the Committee on Appropriations should not take a look at how these counterpart funds are being spent. I note that there is \$27 million worth of tobacco involved in the agreements that have been entered into up to February 28, 1957; \$27 million worth of tobacco going to the United Kingdom.

Someone in this Government only a few years ago—I do not know who it was—but someone in this Government approved the British use of more than \$1 billion of our counterpart funds to help retire their internal debt; and an-

other \$400 million of our counterpart funds to build airplanes. I understand some of that construction was commercial airplanes. Only recently, and I referred to this on the floor yesterday, a combine of British businessmen supported by their government, entered into a contract to build in Soviet Russia the biggest tire and rubber products plant outside the United States.

It appears these counterpart funds are being used indirectly to subsidize the building of rubber plants in Communist Russia and steel mills in India.

This is a good amendment and I hope it is adopted. Some committee certainly ought to scrutinize carefully the spending of these counterpart funds, and I say to the chairman of the House Committee on Agriculture that his argument against the Rooney amendment might have more validity had the Committee on Agriculture held hearings so that we could today read the hearings and thereby ascertain the justifications for the spending of the counterpart funds as proposed in this bill. Then the gentleman would be on far more solid ground in opposing the amendment.

Mr. COOLEY. May I say to the gentleman that we had hearings. We heard every living human being that wanted to be heard. I asked the question, "Is there a single witness here that is opposed to the bill?"

Mr. GROSS. Will the gentleman tell me where I can obtain a printed copy of the hearings?

Mr. COOLEY. I am not certain the hearings were transcribed. I am told by a member of our staff that they were printed and that they are available. Had we received any complaint about anything that was wrong naturally we would have inquired into it. My recollection is that all the farm organizations, all the Department officials, everybody appeared in favor of the bill.

Mr. GROSS. What I should like to see are the justifications for the expenditure of these counterpart funds as you have them set up in the report.

Mr. COOLEY. I have assured the House today we have the responsibility in our committee to look into these expenditures. We have a chart on page 8 showing exactly what became of the money, showing that 37 percent of the value was used to pay off obligations of our own Government. If you adopt the Rooney amendment, in my opinion, you are going to wreck the entire program.

Mr. ROONEY. Mr. Chairman, will the distinguished gentleman from North Carolina yield?

Mr. GROSS. I yield to the gentleman from New York.

Mr. ROONEY. I should like to point out that all we have in justification is page 8 of this report with regard to the amount of \$1,984,000,000, with not even a transcript of the testimony of the witnesses heard before the Committee on Agriculture to justify it.

Mr. GROSS. Yes; and here is further wording in the report for which I would like an explanation from someone:

Wheat is to be sold to Spain for resale to Switzerland for financing the procurement of Swiss goods for Spain.

Will somebody tell me what that means?

Mr. COOLEY. I can tell the gentleman what I know about that. It was a transaction under which Switzerland wanted some of our surplus grain from America shipped in with the understanding it would not interfere with normal shipments and the normal consumption of grain in Switzerland. Switzerland in exchange, according to my recollection, was to ship to Spain some high-class machinery, locomotives, and so forth.

Mr. GROSS. We could not produce high-class machinery in this country?

Mr. COOLEY. It was something Spain wanted from Switzerland in exchange for the commodities. We finally ended up with pesetas, and the pesetas were used to pay our obligations in Spain.

Mr. GROSS. We increase the tariff on Swiss watches and then turn around and subsidize this transaction between Spain and Switzerland. What I want to get at is this: What else are we doing with counterpart funds in many other countries of the world?

Mr. Chairman, I support the bill and the Rooney amendment. The Whitten amendment merely provides for another report that would undoubtedly be buried with scores of others that are called for each year from the various departments and agencies of government. Let us try to control the purse strings—not merely ask for another report.

Mr. COOLEY. Mr. Chairman, I rise in support of the Whitten amendment.

Mr. Chairman, I hesitate to prolong this debate, but I want to emphasize the importance of the vote we are about to take now. I think the amendment offered by the gentleman from Mississippi [Mr. WHITTEN] makes sense. It is perfectly reasonable for us to require a report. At the same time I am mindful of the fact that under the reorganization act, our committee already has authority to summon all of these officials before our committee and to inquire into each of these items. Had any member of our committee desired to have done so, he could have gone into these items in detail. But, no complaints have been submitted by those who are so apprehensive about the way this program has been administered. Since we had no complaints, there was no real reason for us to go into the matter any further than we have. The Members of the House talk about hearings and they wanted to have some accounting and they wanted the Appropriations Committee to pass judgment on these items. I wonder why those same arguments were not submitted at the time the original act came before this Congress. The original act is now the law, and I submit the law has been properly administered so far as we know up until this time. But, if it has not been properly administered, it is the responsibility of our committee to ascertain wherein it has been abused. I know you have some faith and confidence in the Committee on Agriculture. You know of our great interest in this program. I think the program has been mutually advantageous for us and for the countries with which we have been dealing. I do not know of any opposi-

tion, and I challenge any Member of the House Committee on Agriculture to stand up and say he is opposed to this bill. My recollection is that we were unanimous. As I said this morning, we considered this bill free from any partisan politics. I think this debate has been free from partisan politics. I have been standing in the well of the House defending those who have been administering the program and I am perfectly willing to do so as long as the program is properly administered. But, if we adopt the Rooney amendment, we may just as well close up shop and let the people know that we have repudiated the President, and that we have actually thrown doubt upon the agreements that have already been entered into. I think we will probably find upon inquiry that all of the counterpart funds now on deposit to the credit of the United States in various banks throughout the world are obligated in some fashion by the original agreements which resulted in the sale of our commodities.

Mr. FULTON. Mr. Chairman, will the gentleman yield?

Mr. COOLEY. I yield.

Mr. FULTON. I would like to point out to the committee that in a communication of Mr. Benson, Secretary of Agriculture, on behalf of the administration he says:

The Bureau of the Budget advises there is no objection to the submission of the proposed legislation to the Congress.

That is, the Bureau of the Budget approves the bill in this form. Mr. Benson says further:

Enactment of such legislation would be in accordance with the program of the President.

So it is really President Eisenhower's program and we are voting his authority up or down in these two amendments.

Mr. COOLEY. I think the gentleman is correct. I think when you say you want to hold an ante-mortem examination rather than a post-mortem examination, you are reflecting upon those who are administering the program.

Mr. ARENDS. Mr. Chairman, will the gentleman yield?

Mr. COOLEY. I yield.

Mr. ARENDS. I concur in what the gentleman has just said. I think, if we adopt the Rooney amendment, we will find ourselves absolutely in an impossible position.

Mr. COOLEY. I think that is absolutely correct.

Mr. Chairman, the Whitten amendment requires a report and the report is to be submitted to the Committee on Appropriations. If anything does develop that is inappropriate, we can take the necessary action to correct it.

Mr. Chairman, I ask for a favorable vote on the Whitten substitute amendment at this time.

The CHAIRMAN. The time of the gentleman has expired.

The question is on the amendment offered by the gentleman from Mississippi [Mr. WHITTEN] in the nature of a substitute for the amendment offered by the gentleman from New York [Mr. ROONEY].

The question was taken; and on a division (demanded by Mr. ROONEY), there were—ayes 103, noes 45.

So the substitute amendment was agreed to.

The CHAIRMAN. The question is on the amendment as amended by the substitute.

The amendment as amended was agreed to.

Mr. WHITTEN. Mr. Chairman, I offer an amendment, which I send to the desk.

The Clerk read as follows:

Amendment offered by Mr. WHITTEN: At bottom of page 2 add the following new paragraph: "Provided, That no commodity of which the Commodity Credit Corporation owns a supply shall be eligible for sale to foreign countries under the provisions of this act, unless such commodity is being offered for sale in foreign trade through normal trade channels at competitive prices for dollars."

(Mr. WHITTEN asked and was granted permission to proceed for 5 additional minutes.)

Mr. WHITTEN. Mr. Chairman, if I had to determine at the moment whether Public Law 480 had done more good or bad, I would be hard put to decide. The reason for that is that the Congress and the committees, acting in perfectly good faith, offered Public Law 480 as an additional means of disposing of agricultural commodities. Unfortunately, for a number of years Public Law 480 was substituted in place of sales through normal trade. There was a period of years when you could read in the U. S. News & World Report, Nation's Business, and other magazines the technical provisions of how to sell 480 commodities, as though that were the only way. This is surprising to some of you; but the Secretary of Agriculture, Mr. Benson, had been in office many months when he appeared before our committee, and it was brought out at that time that he did not even realize he had authority to sell for dollars. We had reports before our appropriations subcommittee from the Commodity Credit Corporation, and they referred to how many commodities they had disposed of and how much they had gotten rid of, how much had disappeared. The value ran into huge amounts of money. Never once in the report did they refer to how much they sold for dollars.

I am not going to make my sales speech all over to you again; but suffice it to say that our committee, in an effort to get United States commodities sold, went so far as to say we would not recommend any funds to control acreage of any commodities that CCC refused to sell for dollars. We set up a sales organization and tied the money down for that purpose only, in order to get this thing broken. During that period it was argued you had to sell under Public Law 480—that you could not sell for dollars. In 1953 CCC sold only \$1,500,000 worth of commodities for dollars. In 1954 we insisted and got the Department to offer a few relatively minor commodities for sale, and they went like hotcakes—\$92 million.

We insisted further in 1955 and we sold \$219 million of commodities for cash. And, listen to this: In 1956, for the first time, the Department went all out offering these commodities, which had formerly been held for Public Law 480 sale for foreign currencies, in competitive markets for dollars and in 1956 the Department sold \$2,723,000,000 worth of commodities for cash.

What is the difference? Where you sell under Public Law 480, do not be misled, our committee is asked to replace that money in appropriations. If you sell under Public Law 480 you have to restore the impairment of the capital of the Commodity Credit Corporation. In the bill we reported to you this year we provided \$637 million in appropriations for losses in Public Law 480 sales.

Now the Department tells us that having sold \$2,700,000,000 of commodities for cash, and that money went into the Commodity Credit Corporation as American dollars, it kept us from having to appropriate that money.

Next year the Department, if it keeps up this sales program through normal channels for dollars, through regular trade channels, estimates they can sell almost \$4 billion worth of commodities, through normal trade channels.

My amendment merely says: "Mr. Secretary, Mr. Department of Agriculture, we approve Public Law 480; but we do not mean for you to substitute it for normal sales. You cannot give commodities away under Public Law 480 unless you put such commodity out on the counter offering it for sale at dollars."

The record clearly shows we would have saved billions of dollars in times past if they had sold these commodities in the open market, as they are selling them now; and the feeling on the part of the Congress and the country in the situation would have greatly improved.

Mr. TABER. Mr. Chairman, will the gentleman yield?

Mr. WHITTEN. I yield.

Mr. TABER. Have the authorities in the Commodity Credit Corporation or the Department of Agriculture the right to make these sales without the language the gentleman has proposed?

Mr. WHITTEN. Which sales does the gentleman have reference to?

Mr. TABER. The sales which you were urging in this amendment.

Mr. WHITTEN. The Commodity Credit Corporation charter, from the start, has given unlimited authority to the Secretary to offer these Commodity Credit Corporation stocks in world trade at competitive prices. That authority has been in the original charter throughout; and, in selling the \$2,700,000,000 worth of commodities they sold in 1956, they were using the authority that had existed all along; and that authority still exists.

Mr. TABER. What change would that result in from the policy that has been followed lately?

Mr. WHITTEN. Since January 1956 it would not result in any so far as I know.

The purpose of putting this language in the bill is to avoid getting back into the old habit of letting some of our in-

ternational traders perhaps talk us into not selling for dollars, but sell under Public Law 480 where we virtually give the commodities away for foreign currencies. It is to require a continuation of the good policy that has been followed for the last 18 months.

Mr. VORYS. Mr. Chairman, will the gentleman yield?

Mr. WHITTEN. I yield.

Mr. VORYS. I believe the Fairless Committee appointed by the President made a recommendation along this line, and that they urged that sales not be made for foreign exchange. This would be in that direction.

Mr. WHITTEN. I thank the gentleman. And permit me to say at this time that I was pleased when the Secretary of Agriculture in appearing before our committee was very nice and complimentary to me for having insisted through the years that he use this method of offering for sale for dollars in normal channels. He says he has been greatly pleased at how well it has worked.

Mr. COOLEY. Mr. Chairman, will the gentleman yield?

Mr. WHITTEN. I yield.

Mr. COOLEY. I think the gentleman is in error when he says Public Law 480 was in operation in 1953. Actually it was not passed before July 10, 1954, and it was probably put into operation either in late 1954 or in full operation in 1955. I realize that within the last 15 months under pressure from Capitol Hill perhaps the Secretary has disposed of an unusually large amount of cotton.

Mr. WHITTEN. Has sold, if I may say to the gentleman.

Mr. COOLEY. Well, he has sold it for what?

Mr. WHITTEN. For dollars.

Mr. COOLEY. By reducing the price to the world price level or lower and taking a large and substantial loss of \$535 million in 15 months.

Mr. WHITTEN. May I continue by pointing out that the maintenance and storage of these commodities was eating up hundreds of millions of dollars.

Not only that, but the record shows that every day and every month we kept that policy, the situation deteriorated still further. Rather than saying that the Secretary reduced the price I would express it this way, and perhaps you will say it is the same thing. There is no way of selling anything unless you make your price competitive. The authors of the Commodity Credit Corporation Act recognized that. There can be no other type of sale. So the losses that the gentleman mentions are much, much less than they would have been had you continued to hold the commodities. May I say again that some of the losses you had there ran as high as \$40 a bale for storage during periods we were offering them for sale. I might point out that in February 1955, the Commodity Credit Corporation had \$3,600,000,000 worth of farm commodities which had never been offered in world trade for sale competitively for dollars. We are remedying that situation at the moment. This amendment, if adopted, means that Public Law 480 shall not take the place of selling for dollars, but it will be an addi-

tional means and not be permitted to usurp and take away the normal trade through normal channels where we receive dollars for what we sell.

Mr. WATTS. Mr. Chairman, will the gentleman yield?

Mr. WHITTEN. I yield to the gentleman from Kentucky.

Mr. WATTS. The gentleman in his amendment refers to commodities owned by the Commodity Credit Corporation. I assume he means commodities to which the Commodity Credit Corporation has title?

Mr. WHITTEN. Certainly.

Mr. WATTS. And not commodities we have an outstanding loan against?

Mr. WHITTEN. That is right. It would not refer to the latter instance. I hope the amendment will be adopted.

Mr. COOLEY. Mr. Chairman, I rise in opposition to the amendment offered by the gentleman from Mississippi [Mr. WHITTEN].

Mr. Chairman, again I do not question the good faith of the author of this amendment, but I do say that the amendment should not be adopted. The very law that we are dealing with contemplates sales and donations of surplus commodities over and above the normal requirements of recipient countries.

A moment ago we referred to transactions between Spain, Switzerland, and the United States. I understand that Switzerland accepted agricultural commodities from America over and above its normal consumption and normal requirements. If the amendment offered by the gentleman from Mississippi [Mr. WHITTEN] is adopted, it means that the Secretary of Agriculture will have to shop around the world in an effort to find a place to sell these commodities for dollars on competitive prices in the world markets, before he can offer to give them away or before he can barter them away or before he can sell for foreign currency. I think it is only reasonable to assume that the Secretary will sell for dollars wherever he has an opportunity to sell for dollars.

Just yesterday I spoke to one of the Secretary's assistants about the poultry situation in Germany. In that conversation I was told that we have a very substantial potential market for ready-to-cook American poultry in Germany. The Department did not want to be dangling the possibilities of gifts and sales in local currency over the head of Germany, however.

Mr. TABER. Mr. Chairman, will the gentleman yield?

Mr. COOLEY. I yield to the gentleman from New York.

Mr. TABER. The thing that bothers me about that is that I have heard that as a result of sales that might be forced on to the Department the prices of such things as cotton might be dropped so low to the foreign purchasers that they could come back into the market and shut up our cotton mills and that sort of thing.

Mr. COOLEY. What we are doing now is selling cotton at below the domestic market by 6 or 7 cents a pound.

If we put American cotton under competitive prices on world markets we are going to be competing with the low standards of labor in all the cotton-producing areas.

I do not believe that we would want cotton to go that low.

Mr. WHITTEN. Mr. Chairman, will the gentleman yield?

Mr. COOLEY. I yield to the gentleman from Mississippi.

Mr. WHITTEN. I would like to correct one thing. In the first place, the amendment is limited to sales for foreign currencies and would not affect dollars. Section 22 of the Agricultural Adjustment Act provides protection from foreign imports authorizing the President to levy as much as 50 percent tax or put an embargo on, so we do have those protections in the law.

Mr. COOLEY. I am very cognizant of the fact that we have protection under section 22 to protect our own products here at home, and we also have authority, which we vested in the President last year, to negotiate with representatives of foreign countries to limit the imports of manufactured goods coming in in competition with domestically produced goods.

Mr. WHITTEN. While the gentleman is speaking against my amendment, I do believe I understood the gentleman to say that he does not believe in giving away commodities through aid if we are unwilling to sell them for dollars.

Mr. COOLEY. I do not believe the department has indicated an unwillingness to sell for dollars. They are selling for dollars now, and the only way they can sell for foreign currency is over and above agricultural consumption in recipient countries.

Mr. FULTON. Mr. Chairman, will the gentleman yield?

Mr. COOLEY. I yield to the gentleman from Pennsylvania.

Mr. FULTON. This is already in the law. On line 6, section 2, of the act it provides:

And to stimulate and facilitate the expansion of foreign trade in agricultural commodities produced in the United States by providing a means whereby surplus agricultural commodities in excess of the usual marketings of such commodities may be sold through private trade channels, and foreign currencies accepted in payment therefor.

Mr. COOLEY. The gentleman is correct.

Mr. FULTON. And on specific instructions on negotiating agreements, section 101, it reads:

(a) take reasonable precautions to safeguard usual marketings of the United States and to assure that sales under this act will not unduly disrupt world prices of agricultural commodities.

Mr. BELCHER. Mr. Chairman, will the gentleman yield?

Mr. COOLEY. I yield to the gentleman from Oklahoma.

Mr. BELCHER. The Secretary of Agriculture would not be permitted to sell for dollars to certain countries without the permission or consent of the State Department if it interfered with foreign policy.

Mr. COOLEY. That is right.

Mr. BELCHER. Then, if the State Department refuses to permit the Secretary of Agriculture to sell for dollars, he would not be permitted to take any action under this bill.

Mr. COOLEY. That is right.

Mr. BELCHER. It would just eliminate this bill if the State Department did not approve a sale for dollars.

Mr. COOLEY. I think the gentleman is correct.

I just want to say in conclusion before you vote on this amendment I think it is tremendously important, and I think it is very unfortunate that the gentleman from Mississippi did not present the matter to the Committee on Agriculture. I am sure that had he presented it to the Committee on Agriculture it would have been carefully considered; we could have had the views of the State Department officials and the Department of Agriculture and we could have had the benefit of a lot of information that we do not now have.

I hope the Committee will defeat the gentleman's amendment.

Mr. WHITTEN. Mr. Chairman, if the gentleman will yield further, the gentleman has rendered great service to agriculture, and I know that we are both trying to reach a common ground. Here is the point I would like to make. Under existing law you cannot use Public Law 480 if you upset any of the normal channels of trade. I would just like to point out that in 1953 we sold out of the Commodity Credit Corporation only \$1.5 million and in 1954 \$92 million. You could easily determine and pick up those years when we were not in the world market competitively.

Mr. COOLEY. You know and I know that we had an abnormal situation because we did not have a definite, positive program for cotton, and as soon as we had an announced program we started selling cotton. We sold a million bales in the first 40 days and about 9 million in 15 months, when we lost \$535 million and we dissipated a profit of \$267 million which we had January 1, 1953.

Mr. WHITTEN. We had already incurred the loss. We had the cotton and had no use for it.

Mr. COOLEY. We did not incur a loss. You could not have incurred a loss, because under the law you could not sell it for less than 105 percent of parity plus carrying charges. Soon after the Secretary announced the cotton export subsidy program, the \$267 million profit which we had on January 1, 1953, had been dissipated. Now instead of having a profit of \$267 million, we are told that within the last 15 months we have lost \$535 million. Certainly, it is not reasonable to believe that the Secretary would sell cotton or any other commodity in any market to any buyer under any circumstances for local currencies or would barter with surplus commodities if such commodities could be sold for dollars in the normal channels of trade. I am certain that the Secretary would prefer to sell all of our commodities for dollars rather than for foreign currencies. I am likewise certain that he would rather sell for dollars rather than barter for materials or

to donate to foreign countries. I hope that the amendment will be defeated.

Mr. BARDEN. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I take this time just to ask this question of the gentleman from Mississippi. The chairman of the committee, the gentleman from North Carolina [Mr. COOLEY], just remarked that they had disposed of so many million bales of cotton. I would like to know, had that cotton been disposed of for foreign currencies, would the foreign currencies derived from that sale have been available to give away also for other projects without any check by the Committee on Appropriations?

Mr. WHITTEN. May I say to the gentleman that it would; and, if I may carry this one step further, in our bill this year there was \$637 million provided to restore capital impairment of the Commodity Credit Corporation. If we had not sold these commodities in world trade for dollars, there would have been an additional request to this Congress to appropriate \$2,723,000,000. So it is clearly to our interest to sell for dollars, and I think it is clearly to our interest to see that you sell for dollars before we start giving away the same commodities.

Mr. BARDEN. I should like to ask one further question of the chairman of the committee. Does the gentleman from North Carolina understand that the statement made by the gentleman from Mississippi [Mr. WHITTEN] is correct?

Mr. COOLEY. No; I do not agree with the gentleman that the losses were sustained before the cotton was sold. The gentleman said that we had to restore capital impairment of the Commodity Credit Corporation to the extent of \$637 million. Five hundred and thirty-five million dollars of the loss was sustained on the cotton program that the gentleman has been advocating in the last 15 months. That is what the losses are, according to the Secretary of Agriculture.

Mr. BARDEN. And what would have been the situation under the gentleman's program?

Mr. COOLEY. Had we sold it in the foreign markets and above normal consumption in those countries, we would have received foreign currencies and could have used those currencies to build up the internal economy of those countries and for other purposes.

Mr. BARDEN. They could have used it for that purpose and for other purposes.

Mr. COOLEY. Yes.

Mr. BARDEN. Without the approval of the Congress?

Mr. COOLEY. Yes. Here is what the President could use it for. It is set out in the act itself under section 104.

Mr. BARDEN. Mr. Chairman, I should like to ask the gentleman this question. Had you sold it for dollars, with those dollars coming back here to our Government, could those dollars have been spent as you would have spent the foreign currency or would those dollars come to our Government and be subject to appropriation by the Congress?

Mr. COOLEY. The commodity that the gentleman from Mississippi [Mr. WHITTEN] spoke of sold for dollars, but sold at 7 cents a pound below the domestic market.

Mr. BARDEN. I want to know whether they sold it for 50 cents or whatever the price was, but for dollars, those dollars would have come back to this Government and then Congress would have control as it has over other Government funds.

Mr. COOLEY. No; they would have gone back to the Commodity Credit Corporation and used by the Commodity Credit Corporation for its original purpose.

Mr. BARDEN. And could not have been given away to strengthen the economy of the other countries without congressional approval.

Mr. COOLEY. No; this \$535 million that we lost was given away. We got nothing in return, not even foreign currencies.

Mr. WHITTEN. Mr. Chairman, will the gentleman yield?

Mr. BARDEN. I yield to the gentleman from Mississippi.

Mr. WHITTEN. I will say this, that we sold and got the cash in the amount of \$2,723,000,000. That money went to the Commodity Credit Corporation to meet the purposes of that organization, which are spelled out. In the absence of having collected that cash, if we had sold for foreign currencies or had given it away, let us say, we would have been faced this year with a request by the Department of Agriculture for an appropriation of \$2,723,000,000 to restore capital impairment of the Commodity Credit Corporation.

Mr. COOLEY. Let me ask the gentleman this question. Suppose you had sold it in the world market at competitive prices, how much would you have had to appropriate to restore capital impairment of the CCC?

Mr. WHITTEN. We did restore that capital impairment by \$637,000,000. But that is a far cry from over \$3 billion which we would have lost if we had gone on under Public Law 480 instead of under the normal trade channels.

Mr. COOLEY. But you sold a substantial volume under Public Law 480 for foreign currencies.

Mr. WHITTEN. That is right. And we had to pick up the tab for \$637 million, which amount our committee recommended appropriating and you passed on it.

In connection with the discussion the gentleman from North Carolina and I had as to when you lost the money on the cotton, if you have cotton on hand and do not need it, and are paying storage on it, and it is not worth in the world markets except what you can get, I respectfully submit that your losses were incurred when you got it on its decrease in value. You see the amount when you sell it, but the loss was there to start with. It was not worth any more than that whether you sold it or whether you kept it and paid something like a million dollars a day in storage.

Mr. COOLEY. The gentleman knows as well as I do that that cotton to which

he is referring could not have been sold in the domestic market at less than 105 percent of parity with all the handling and other charges included.

Mr. WHITTEN. That is true.

Mr. COOLEY. Therefore, you could not have lost a dime until you embarked on the subsidy program abroad.

Mr. WHITTEN. That is right. We held it 8 years and we could not sell it on the domestic market.

Mr. COOLEY. The gentleman does not know what he is talking about. In 1953 we had an embargo on American cotton and could not send it out of this country.

Mr. BARDEN. Let me get it down to the point where even I can understand it. You have 100 bales of cotton. You sell it for dollars. Those dollars come back here, and every dollar that goes into the Commodity Credit Corporation means that Congress will have to appropriate that much less. Now you sell those same 100 bales of cotton for foreign currency. Where does that foreign currency go?

Mr. COOLEY. The fact is you would not sell that same 100 bales of cotton because this foreign currency sale must be over and above normal consumption?

Mr. BARDEN. Let us say we sold any 100 bales of cotton.

Mr. COOLEY. Where does the money go?

Mr. BARDEN. Yes.

Mr. COOLEY. The foreign currency goes wherever the original contract provides it should go.

Mr. BARDEN. What contract?

Mr. COOLEY. The contract which results in the disposition of the surplus commodity in the first place. That is the reason I say it is a contract made by the President, negotiated by representatives selected by the President. Of course the President does not go out and do all the negotiating himself. He does it under the law and under the spirit of the law. As to the counterpart funds, I may say to my friend, we have now not only a surplus of commodities but we have a surplus of foreign currency.

Mr. BARDEN. That is what I am talking about. I am interested in getting some dollars back instead of setting up a revolving foreign-aid program over which Congress will have no control over, and not even know what is being done with it or where it is.

Mr. COOLEY. It is in banks around the world.

Mr. MARSHALL. Mr. Chairman, I rise in support of the amendment.

Mr. Chairman, it has been my great privilege to serve on the great Committee on Agricultural Appropriations under the able chairmanship of the gentleman from Mississippi [Mr. WHITTEN]. The farmers of this country and the taxpayers of this country owe a real debt to our chairman, JIMMY WHITTEN, of Mississippi. He has done an outstanding job in our committee in attempting to get those commodities sold into competitive world trade and get as much money as we can from it.

Let me read his amendment:

Provided, That no commodity of which the Commodity Credit Corporation owns a supply

shall be eligible for sale to foreign countries under the provisions of this act, unless such commodity is being offered for sale in foreign trade through normal trade channels at competitive prices for dollars.

What is wrong in selling our commodities for dollars if we can get dollars? What is wrong with using the normal trade channels? Is there anything wrong with that?

Mr. HARRISON of Nebraska. Mr. Chairman, will the gentleman yield?

Mr. MARSHALL. I yield.

Mr. HARRISON of Nebraska. I think that is a part of the law, and I think the law has been carried out by the administration.

Mr. MARSHALL. I am glad to have my friend, the gentleman from Nebraska, make that statement. Therefore, since the law is being carried on in that particular fashion, this amendment fits right in with the manner in which the law is being administered. I know the people from the Department have been before us and they have said this is true. There is this thing that comes about, occasionally through misunderstanding and occasionally because of the overzealousness of some people, it is difficult to keep this thing in line. If we can sell these commodities for dollars and use the normal trade channels and get dollars, those dollars go back to the Commodity Credit Corporation. That is purely and simply all that this amendment does. What is wrong with that?

Mr. COOLEY. Mr. Chairman, will the gentleman yield?

Mr. MARSHALL. I yield to my distinguished chairman.

Mr. COOLEY. I would just like to say, of course, every Member of the House would be in favor of using the normal channels of trade. But, if it is a normal transaction, it cannot be a foreign currency transaction. Foreign currency transactions are over and above the normal transactions. So the gentleman does not make a point when he says we should use normal trade channels. Certainly, we should. Nor when he says we should sell for dollars—to be sure we should sell for dollars. But we sell all we can for dollars in the normal way, and then over and above that we sell for foreign currencies. That is the whole program contemplated by this law. But, if you say that every bushel of wheat and corn and all other commodities must be sold for dollars in the world market sometime, somewhere, before we can resort to foreign currency transactions, you are going to bog down this program.

Mr. MARSHALL. I know my distinguished friend from North Carolina and also my good friend and my distinguished chairman from Mississippi, and a moment ago the distinguished chairman of the Committee on Agriculture, made the statement that it would be nice had this amendment been presented to the Committee on Agriculture before. I agree with the chairman. However, this bill goes to conference with the other body. What is wrong with including this amendment and then looking into it further? Certainly, if there is anything wrong, I know my chairman, the gentleman

from Mississippi, does not want to do anything that is going to damage the sale of these commodities in any way and neither do I.

Mr. COOLEY. There is nothing morally wrong and there is not anything legally wrong about the gentleman from Mississippi not presenting it to our committee. I merely suggested that had he presented it, we would have considered it and we could have ascertained the facts from these officials who are administering this program. But, the gentleman did not do that and, therefore, we had no opportunity to hear him present his views.

Mr. MARSHALL. If the gentleman will excuse me, is that not what my good friend, the gentleman from Mississippi, is now offering you an opportunity to consider?

Mr. COOLEY. Yes; in the last few minutes of debate here, we get this amendment.

Mr. WHITTEN. Mr. Chairman, will the gentleman yield?

Mr. MARSHALL. I yield.

Mr. WHITTEN. I wish to thank the gentleman for his very kind statement regarding me. I would like to point out that certainly it has been a pleasure to come before the gentleman from North Carolina and his committee on each occasion that I have appeared before his committee and each time I have been invited, I have gone to the committee. Unfortunately, I have been tied up on military appropriations work until just the other day since the 10th of January, and in view of these long hearings before the Committee on Appropriations, it is not always easy to find time to appear before the gentleman's committee. Until this bill came up yesterday, I did not know when the hearings were being held and I did not know along with many other people that the hearings would involve this matter. I thought that this was more or less a routine case of an extension of an existing law and presumably there was no need for lengthy hearings. I would like to say again, if I may impose on the gentleman's time, that this, contrary to the discussion you have heard about cotton, this has to do with all commodities. Under Public Law 480, if the Commodity Credit Corporation does not have a supply on hand, you can barter even though you have a supply.

Mr. MARSHALL. If my chairman will yield to me, I have looked over the amount of commodities which have been offered for sale, and while cotton is a part of it, certainly, the major proportion has been wheat, and there has also been rice and dairy products and a lot of other things.

Mr. Chairman, I urge the adoption of the amendment.

Mr. HOEVEN. Mr. Chairman, I take this time to announce to the Republican Members of the House that the conference called for this afternoon is being postponed until after adjournment tomorrow.

Mr. BROWN of Missouri. Mr. Chairman, I move to strike out the last word.

(Mr. BROWN of Missouri asked and was given permission to proceed for 5 additional minutes.)

Mr. BROWN of Missouri. Mr. Chairman, I have great respect for the distinguished gentleman from Mississippi [Mr. WHITTEN], and the distinguished gentleman from Minnesota [Mr. MARSHALL], but before you vote on this amendment let me say a few words.

If it is in order, I would like to talk a little bit about the big purpose of this legislation we are discussing. It is interesting to argue about foreign currencies and about the prospects of dollar markets for some of our farm products, but let us face facts. The big possibilities in the Public Law 480 are to stabilize American agriculture at home. That is the initial purpose as outlined in the bill passed by the 83d Congress. And this act can have a tremendous impact on American agriculture prices at home, far greater than we are getting now, if it is administered aggressively with vision and ingenuity.

Let us open our eyes to some new horizons for a moment. In addition to all Commodity Credit Corporation surpluses that we have in warehouses that are costing us a million dollars a day to store, we are producing on the farms of the United States enough surplus food, extra food, to feed and partially clothe some seventeen to thirty million people—in addition to our population in the United States. What are we going to do with that surplus production?

I grew up in a town called Humansville, Mo., a town with a population of 757. We are just country folks down there, but whenever we have something on hand that we do not need and cannot use, we look around for some place to put it to work. We do not hang on to it and squeeze it and pay storage on it try to protect it as if it were a handful of diamonds. If we cannot sell it for what it is worth, we take a loss. We take less than what it is worth, because it is that much. And if we cannot sell it at all, we give it to somebody who can use it, because we believe that is the Christian way.

I ask you, are we using this surplus food and fiber to the fullest possible advantage? I submit that we are not. We are making an effort. Perhaps we have made some progress. But I will guarantee you that we are not using it aggressively, and with enough vision and ingenuity to get the full impact of it on the domestic farm market at home. That I submit can be done with only a few supplementary additions to the agricultural trade development and assistance law and by more aggressive, imaginative administration of it.

We start with surplus, market-depressing food and fiber. How can we use it?

Well, every time you turn around somebody is talking about countries overseas that are struggling to maintain their independence; people who are hungry and ill clad. The foreign-aid advocates say that those people must get a better break out of life and get a good meal now and then, if they are to stick with freedom and join us in the struggle against com-

munist. Rightly or wrongly, we have helped a great many of them; but if you will notice, when the diplomats start doling out help, 9 times out of 10, it is scarce money or scarce steel or scarce industrial machinery. Only on rare occasions is it surplus food and fiber.

I saw a figure last night. I do not know whether it is correct or not, but a distinguished author says that we have spent some \$60 billion in foreign aid in the last decade. Less than \$5 billion of that, including the \$3 billion in exchanges for foreign currencies, have been food and fiber. In this struggle against communism there seems to be a big place for American industry, but only a very tiny place for the American farmer. If we are really trying to keep the wolves away from the doors of some of these struggling new nations, if it is really in our self-interest, I submit that we must make better use and bigger use of the surplus food and fiber that we now have running out of our ears.

Wherein lies the best interest of the United States of America? To trade \$10 million of surplus dairy products to some nation for its foreign currency or to give them 10 million American dollars?

Wherein lies the best interest of the struggling nation you are trying to help? To take American dollars, build them a plant that uses silica and operates only 30 days because it runs out of silica? We did that in 1 Asiatic country. Or would it be better to sell them at bargain prices in their currency some of our broiler meat that is depressing our domestic market. You know if they eat American-style broilers for awhile they will form a new eating habit and will want to start a broiler industry of their own and feed our feed grains.

A broiler industry will employ more people in one of these agricultural countries than any single industrial plant ever will. If you do not believe it, go down to the State of Georgia. Some 20,000 families are now employed down there today growing broilers. Thousands more are growing feed to feed the broilers; thousands more are dressing those birds, and others are hauling them to market. That is what I call a big industry, and it is far less costly to start than a heavy equipment plant of some kind.

But no, the people administering our foreign economic-aid program seem to think in terms of hydroelectric dams, steel mills, and tire-manufacturing plants. They forget that the United States of America started as an agricultural Nation, then improved its agriculture and gradually built industries out of the profits and demands of that agricultural economy.

But the experts seem to want to leap over a whole generation of sound economic evolution and plunge some of these countries into a giant industrial era before they are ready for it.

If the law we are considering were being used more aggressively it could improve farm prices at home and foreign relations abroad. I submit, however, the administration is not doing that; it is not using it with enough ingenuity and imagination. They are moving so

cautiously and so fearfully that we are losing the full impact of its potential.

For instance, Mr. Benson knew by the 4th of July last year that we had a serious overproduction of poultry meat in this country. Under this law, Public Law 480, without any additional authority the executive department could have purchased some \$5 million worth of breeder hens and roosters, cut broiler hatchings by a healthy reduction, sent those breeder hens to some South American countries where they want to get the business started, and we could have prevented the disastrous crash of the broiler market last fall, the worst poultry industry depression since the early 1930's.

Did Mr. Benson do it? Certainly not. Oh, he sold some poultry to Germany—one one-thousandth of 1 percent of the national production. And what was the glorious outcome of this picayunish effort? It was just like trying to raise the tide by pouring a teaspoonful of salt water into the Atlantic Ocean. It did not help the agricultural picture at home because it was not bold enough in its concept, courageous enough in its execution. Let me give you another example.

The price of milk today in the market place is so low that you can't make a living out of milking unless you have so many cows in the stanchions that it takes you until midnight to get them milked.

Dairying is a \$4 billion a year industry in the United States. Since this Public Law 480 was passed, American dairy farmers have produced some \$10 billion worth of dairy products. Some 2 percent of it has been market-depressing surplus.

Has the administration used this Agriculture Trade Development Act to stimulate foreign sales? Look at the committee report: \$25 million worth of milk in 3 years. That is two-tenths of 1 percent of production, and even then, Mr. Benson was afraid he was overdoing it.

Did you read the President's last semi-annual report on activities under this law, July 1 through December 31, 1956?

On page 21, it says "Butter and butter oil were withdrawn July 1, 1956, because CCC inventories were depleted." And for the same reason, dry milk foreign donations were reduced substantially during the third quarter of the year.

Now, what kind of foolishness is this? Mr. Benson has yelped for 4 years about market-depressing milk surpluses. He gradually worked them down; and last July, just as the warehouses were about empty, when just a tiny bit more foreign trade would have adjusted supply to the point of profitable domestic demand, what does he do? He cuts out Public Law 480 foreign trade. Maybe he stabilized the price of milk but he stabilized it at a bankruptcy level.

Now I understand butter and dairy products are backing up on him again, because cautious, fearful administrators quit operating just at the point when they could have helped.

Now look—there are 4½ million farmers in the United States, each trying desperately to make a living in these times of higher and higher price tags on everything they buy. Not a one of them has a defense contract.

None has suffered from all this foreign aid.

This spring—as every spring—they started out to produce food and fiber to feed and clothe the people of the United States. And not a one of them knows what quantity of any product he, himself, will produce—much less what the total national production will be—whether there will be overproduction or underproduction, because there are too many hazards, too many unpredictable factors.

Even if he tries to hold down production, he must allow a small margin for error or unexpected mortality, for droughts, and floods.

And yet, it is that vital, necessary margin for error that is killing the farmer in these times of inflation.

A little too much milk and grade C milk drops to \$3 a hundred. A few too many turkeys, and turkeys drop to 25 cents.

Now maybe that situation is more or less normal in peacetime, when prices on automobiles, refrigerators, gasoline, and other commodities rise and fall with supply and demand.

But these are not peace times. There is a cold war going on—a struggle against communism—and big industries and their industrial workers are participating in that struggle, profitably, very profitably, on purchase contracts signed by the United States Government.

Now, why cannot the American farmer be included in that charmed circle? Is there any good reason why more of his food and fiber cannot be utilized more efficiently and aggressively in combating the Communist menace?

Nothing could be sounder than taking something you do not need, something that is actually a temporary liability to you and depressing the value of other things you do need, and trading it for something that might be worthwhile—new customers for tomorrow, new allies against communism today.

If we will continue this Public Law 480 as a foundation and then expand it with some new ideas, and get them aggressively administered, we could have a successful temporary farm program.

For instance, would this be possible? Suppose there is going to be a 3-percent surplus of dairy products this year, over and above domestic consumption, make it mandatory that 3 pounds of milk out of every hundred that a farmer sells is impounded for foreign market development and the Government pays only half price or so for that 3 pounds.

In fact, any farmer could afford to give you 3 pounds of milk free, if it meant that he could get 90 or 100 percent of parity for 97 percent of his production.

Right today, in the case of turkeys, with a tremendous carryover from last year, you could impound a percentage of this year's production at a very, very reduced price, and the grower would be better off by getting a decent domestic market price for what we will eat here at home.

And it could lead to new markets.

If we take some shiploads of tender juicy broilers or broad-breasted turkeys to some of these countries, sell them at

even ridiculous prices with 1-cent-sale gimmicks and a little Madison Avenue-style promotion, the people will learn to like them. Then, see if we do not develop a customer for the United States farmers' extra food production.

And let us make even better use of this foreign currency. Loan it to some resourceful, aggressive American small-business men who will move a little basic equipment into one of those countries and, with a lot of ingenuity plus what that local currency would purchase, build industries and create new wealth.

Regardless of how it is done—the basic principle is this: We have a tremendous asset in our food and fiber production capacity that is now going to waste. Let us use it in the struggle against communism and invest it in developing new markets.

And let us not pussyfoot around about it. Let us either go into it aggressively to get the job done and make the trading of worthless food surpluses the major part of our foreign aid, or let us drop foreign aid completely.

It may be more difficult to give food away than it is to give dollars, but we have surplus food and we do not have surplus dollars.

And furthermore, if this international struggle against communism is half as serious as the foreign affairs experts say it is, we need the American farmers' productive power as much as we need American industrial power.

Let us renew this Public Law 480 and use it as a foundation for a cold war farm program that will put the American farmer on an equal basis with the American industrialist in the fight for freedom against Communist encroachment.

Mr. O'NEILL. Mr. Chairman, I move to strike out the requisite number of words.

(Mr. O'NEILL asked and was given permission to revise and extend his remarks.)

Mr. O'NEILL. Mr. Chairman, a Member asked what we did with the foreign currency. I have here the statement of Mr. Gwynn Garnett, Administrator, Foreign Agricultural Service, before the House Committee on Agriculture on March 29, 1957. In part, Mr. Garnett said:

Substantial amounts of the foreign currencies are being used to promote economic development. Virtually all of these development funds are loaned to participating countries with programs being worked out by the foreign governments in cooperation with the United States. Direct grants of currencies for economic development purposes are made only in special circumstances.

Of the agreements signed to date, almost 60 percent, or about \$1.1 billion of foreign currency payments is earmarked for use for economic development loans. The administration of the loan funds is the responsibility of the International Cooperation Administration. Considerable emphasis is placed upon coordinating plans for the use of these funds with the overall development programs of the countries. In considering loan projects for agricultural purposes care is exercised to avoid encouragement of production which would result in reduced outlets for United States agricultural commodities.

So up to the present time we have practically given away \$1,100,000,000 in

money which we have loaned to these various countries. If we keep on lending this money to these countries we are going to have to put money back into the CCC funds.

Mr. Chairman, I therefore want to go along with the amendment offered by the gentleman from Mississippi [Mr. WHITTEN].

Mr. McINTIRE. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, it has been pointed out to the Committee that in the language of this bill under title I the Department is instructed to take reasonable precautions to safeguard normal and usual marketings of these commodities. I think perhaps we lose sight of the tremendously complicated matters with which we are dealing in the handling of these commodities abroad. I think the Department is to be commended in their efforts not to disturb the price domestically. They are to be commended in their efforts to make sure that those commodities are used in excess of those which are going through normal channels.

I think this amendment, while I have a great deal of respect for the gentleman from Mississippi in his sincerity in offering it, accomplishes nothing but to aggravate and complicate the administration of this bill. So, I think in that balance it would add nothing and would simply turn out to be a further complication, making the bill more difficult to administer. It is very difficult as it is.

Mr. Chairman, in my opinion, this amendment should not be approved.

Mr. HARVEY. Mr. Chairman, will the gentleman yield?

Mr. McINTIRE. I yield to the gentleman from Indiana.

Mr. HARVEY. Is it not true that the administrators of this act have been guided on every occasion and also have taken into consideration the views of the State Department in regard to these programs to make sure that the surplus commodities do not in any way interfere with the regular channels of trade?

Mr. McINTIRE. That is my understanding. I might say to the gentleman from Indiana that in consideration of this legislation the Committee on Agriculture of the House has conferred with representatives of the State Department and it has been our intention that the language of this legislation would lend itself to cooperative action on the part of the Department of Agriculture and the State Department. I believe that this amendment, as offered by the gentleman from Mississippi, while it has a commendable objective, is not necessary, because instruction in this regard is implicit in the legislation itself.

Mr. SISK. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I take this time to inquire of the Chairman of the Committee regarding a matter of considerable importance to my particular district. It seems, in some of the discussions that have gone on, that some of these programs are intended primarily for cotton. I was a little bit concerned about the colloquy that went on a little while ago between the gentleman from North Carolina and the gentleman from Mississippi

as to whether or not we were just talking about cotton. But I have a concern above and beyond cotton, if I may say to the distinguished gentleman from North Carolina, and I call his attention to the third paragraph on page 3, where, in your report, you discuss the fact that this program might be applicable to items that are not held in the inventory of the Commodity Credit Corporation.

I would like to have the gentleman state to me what the intent of his committee, and thereby the intent of the Congress is with reference to that.

Mr. COOLEY. Section 106 reads as follows:

SEC. 106. As used in this act, "surplus agricultural commodity" shall mean any agricultural commodity or product thereof, class, kind, type, or other specification thereof, produced in the United States, either privately or publicly owned, which is or may be reasonably expected to be in excess of domestic requirements, adequate carryover, and anticipated exports for dollars, as determined by the Secretary of Agriculture.

That is the law and that is the definition of surplus agricultural commodity. I direct the gentleman's attention to page 13 of our report, to the subhead "Fruit and Other Commodities." I do not want to take all of the gentleman's time, merely to say that it does include poultry, citrus fruit, and other commodities, whether they are owned actually by the Commodity Credit Corporation or not.

Mr. SISK. In other words, it is the intent of the Committee on Agriculture and the intent of the Congress that Public Law 480 shall be used for any agricultural commodity in surplus whether or not it be in Commodity Credit Corporation inventory; is that correct?

Mr. COOLEY. Yes, sir; I think the gentleman is correct. And I am glad the gentleman has mentioned it because some of the poultry producers have been very anxious about the poultry program. I am assured, I am certain that the Congress intends that the same interpretation be placed upon this law as the gentleman has indicated he interprets it.

Mr. SISK. I deeply appreciate the statement of the Chairman because for the past 2 years I have been attempting to get that very kind of interpretation from the Department of Agriculture and only within recent months have we been able even to get our foot in the door to any extent. So it would be my hope and as I understand it is the position of the committee, that the Department of Agriculture will so interpret the law.

Mr. WHITTEN. Mr. Chairman, will the gentleman yield?

Mr. SISK. I yield to the gentleman from Mississippi.

Mr. WHITTEN. The gentleman made a point earlier concerning the amendment. May I say again that this applies to those commodities of which the Commodity Credit Corporation owns stocks or a supply and it would not restrict other commodities. While we had our colloquy on cotton, this applied to all the commodities that the Corporation has.

Mr. SISK. I appreciate that statement. I, too, have cotton in my area, but I wanted to call attention to the fact that this is applicable to many

other commodities that many of us are very much concerned about.

(Mr. SISK asked and was given permission to revise and extend his remarks.)

(Mr. SMITH of Wisconsin asked and was given permission to extend his remarks at this point in the RECORD.)

INTERNATIONAL COMMUNISM SEEKS TO DISARM AMERICA

Mr. SMITH of Wisconsin. Mr. Chairman, the Communist conspiracy is seeking to disarm America. By clever propaganda, it is seeking to create a national hysteria so the people will demand that our H-bomb testing be stopped. The campaign is underway and its objective is to spread fear among Americans and thus eventually disarm our country.

This first became evident when a copy of the Sunday Worker came to my office recently. A first glance puzzled me. The Communist tabloid carried a banner headline which read: "'Catatrophe'—If World Fails To End H-Tests."

There on the front page of this Communist propaganda sheet was the picture of Pope Pius XII. With it was a story saying the Pope was appealing to mankind to stop its race toward what it called atomic death.

Also, there appeared the picture of Dr. Albert Schweitzer, the Nobel prize winner, humanitarian, and scientist. And to my amazement, this Communist organ carried a long article by Dr. Schweitzer appealing for an end to nuclear tests.

Mr. Speaker, it soon became clear to me why this free copy of this particular issue of the Communist Sunday Worker had come to my office. It was the launching of a massive crusade to end the H-bomb tests. This was reported by the International News Service, and I quote:

The biggest, boldest, Communist-sponsored global drive for "ban the bomb" signatures starts rolling this week. The Red-inspired petition propaganda campaign aims to enlist millions to force the United States to halt H-bomb tests immediately.

Later, I heard a newscast on a Washington radio station report on the situation. The first story was one quoting a leading scientist to the effect of the terrible ravages the H-bomb tests were causing the human race.

Was this all accidental timing? Or was it part of the campaign as revealed in the news reports?

The scientist who was quoted spoke out in Chicago. All three major press services carried the story. The scientist, identified as a Nobel prize winner, gave this alarming scare report:

Ten thousand are dead or dying around the world because of the atomic or hydrogen bomb tests carried out to date.

Dr. Linus Pauling, a chemist at California Institute of Technology, said if Great Britain performs scheduled hydrogen bomb tests on Christmas Island in the Pacific, another 1,000 will die of leukemia.

The test was held and the predictions of Dr. Pauling did not occur.

In reading the CONGRESSIONAL RECORD of April 30, I was further amazed. Dr. Schweitzer's long article which had appeared in the Communist Sunday Worker under his byline had been inserted

in the Appendix of the RECORD by a Member of this House. He referred to Dr. Schweitzer as one of the world's greatest men and stated that the article appealing to end nuclear tests had been printed in the New York Times of April 24.

It then became apparent that Dr. Schweitzer's article had appeared in the New York Times 4 days before it was carried in the Communist propaganda paper. This alarmed me. So I compared the articles. They were identical, word for word.

It is clear what the Communists are doing. They are using the great humanitarians and the great men of peace of our day as tools of their propaganda. They are placing themselves on the side of peace. They are identifying themselves with the great cause of humanity. They are donning the cloak of respectability in the eyes of the unthinking. They know that when people are emotionally disturbed, their thinking processes are impaired. This is what wins good people to their evil cause.

Though they denounce guilt by association they seek to attain respectability by association. Never in the history of man has there been recorded such deception that composes the heart and soul of Communist propaganda. And in their reckless use of good people, they abandon all respect for the dignity of such people. Their only concern is for that which is of value to them.

It was not unusual therefore that it should be brought to my attention by Mr. Norman Cousins, the editor of the Saturday Review that the Communists had exploited Dr. Schweitzer's statement.

Writing in the Saturday Review, Mr. Cousins revealed that he had urged Dr. Schweitzer to speak out on the H-bomb subject.

Had not Mr. Cousins encouraged Dr. Schweitzer to make the statement, the Communist conspiracy would not have been provided with a tool for propaganda purposes. This is the tragedy of the age in which we live that the free peoples of the world are providing the tools for their own destruction.

In his letter to Members of Congress, Mr. Cousins did not take exception to the fact that the New York Times had published the same Schweitzer statement as was carried in the Sunday Worker. He did not criticize the Times for carrying the same excerpts of the statement. Indeed, this opens the way to many questions.

Someone, somewhere, took it upon himself to edit the Schweitzer Declaration of Conscience. Whoever did it did a thorough job. The original statement printed in the Saturday Review covered 88 column inches. The edited version carried identically by the Times and the Worker measured about 37½ inches. Thus the Times and the Worker left out more than 50 inches, or over half of the original statement of Dr. Schweitzer.

The question arises: Did someone edit the statement and provide separate copies to the New York Times and the Daily Worker? Or did the New York Times edit the statement and the Daily Worker lift the statement from the Times for its Sunday edition?

One of the paragraphs which the Times and the Worker left out in their versions referred to guarantees that nuclear agreements would be kept. The version printed in the Times and Worker concentrated on the horrors of further nuclear testing and urged that public opinion demand that such tests be halted. But the paragraph indicating that guarantees, reliability, and trust be fundamental to any agreement was not printed by either the Times or the Worker. The following is one of over 45 paragraphs omitted in the identical reports of these two publications:

An agreement * * * presupposes reliability and trust. There must be guarantees preventing the agreement from being signed by anyone intending to win important tactical advantages foreseen only by him. Public opinion in all nations concerned must inspire and accept the agreement.

Mr. Chairman, I submit to you, to the American people and to the world that here is a clear-cut case of where well-intended humanitarianism has been used by the Communist conspiracy. Though such humanitarianism is well-meaning, I say to you that it is dangerous to even contemplate the possibility of reaching agreement with godless communism on any issue. Those leaders, such as Dr. Schweitzer and Pope Pius XII, who speak out only to have their words turned into words of Communist propaganda, are indirectly assisting those forces which would disarm us.

What are the people of America and the rest of the world to think when our leaders one day say: "You can't trust the Communists" and the next day, those same leaders say: "We must come to an agreement with them on the H-bomb?" We are playing into their hands. We are following the road which 40 years of history has shown to be littered with broken promises and captive nations.

The liberals and humanitarians of today are only courting danger when they espouse the causes which communism is promoting.

The Communists are not humanitarians. They do not wish to stop the H-bomb tests because of any radioactive danger to humanity. Their motive is diabolical. Under the pretense of noble virtue, they seek to take from us the strength and the power which are sheltering our freedom. Once they have taken from us the weapons of defense, they will then take from us the liberty which we have cherished since the days of 1776.

The Communist conspirators are tackling this project on an organized basis. On May 13, the International News Service reported:

Communists put the chain letter to work last week to pressure the White House into halting the H-bomb tests.

The nationwide mail device is another step in the high-powered Red fear propaganda campaign, now at its peak.

The purpose: Grassroots support to force an end to hydrogen experiments—without waiting for international agreements providing protective safeguards.

That is the way the Communist conspiracy affects policy. It saturates the

public with its propaganda message. The message is wrapped in pretty paper with liberal thinking and tied with ribbons of humanitarian ideals. Thus camouflaged, the propaganda message brainwashes 170 million Americans. Moved by these emotional appeals, the mass of America asserts its voice upon the leaders of their government. Public opinion demands a change in policy, or a new policy. Government leaders, sworn to serve the people, acquiesce to what they believe to be the will of the people. Thus like a chain, Communist propaganda exploits the very basic principles of democracy and subverts them to its own depraved ends.

If Dr. Schweitzer's statement was used as a propaganda tool by the Communist Sunday Worker, was it no less so when it appeared in the same context in the New York Times? Was not the Times just as responsible in the errors of omission as was the Communist Worker? Should not Mr. Cousins be as disturbed with the Times as with the Communist Worker, for they both printed identical portions of Dr. Schweitzer's appeal?

Is it not clear that liberal forces serve the Communist cause when they indiscreetly proceed to proclaim to the world the No. 1 tune on the Communist hit parade? Until the liberal elements are convinced in their hearts as well as in their minds of the terrifying evil that communism is, the free world will be in dire jeopardy both from within and from without.

That is the real danger that faces us. The danger is not radioactive fallout. To be sure, there are some scientists who have expressed concern about that matter. But there are just as many who contend that there is no cause for alarm. Are we to blind ourselves to the real danger—the growing Communist conspiracy—as compared to a far less danger which is highly disputed. There is no dispute about the Communist menace. It is a real subversive threat. There are no pros and cons about it. It has resolved to push us to our graves.

Who are they who are trying to make us believe that radioactive fallout is a greater threat to humanity than the Communist conspiracy? They who seek to propound this belief are blinding themselves and their fellow men to the realities of the hour. They are overlooking the fact that the Communist conspiracy is the cause of most of the world's problems today. Indeed, it is the real reason why there is radioactive fallout in the sky at all. Were it not for the threat posed against humanity by the men in the Kremlin, there would be no need for the H-bomb tests. There would be no need for the guided missiles or our spending for national defense.

Indeed, the real threat is the threat to our freedom. It is the conspiracy taking form to disarm us. How can freedom be defended without the weapons of defense? Will we be forced to make grenades from bottles of gasoline as were the valiant patriots of Hungary who had been disarmed?

Yet the propaganda mills are churning out hysterical outcries about the terrible dangers of the very weapons

that would defend us—the very weapons which have virtually made war obsolete. Are we to submit to these propaganda outcries and disarm ourselves in the face of the conspiracy laying siege to our institutions, our traditions, and even our code of morality. Mr. Speaker, I reiterate that we cannot let the superficial, disputed fear of radioactivity blind us to the greatest threat of all—atheistic communism.

This evil alone has killed more people in its 40 years of life than all the H-bomb testing we could do from now until years to come. Why do not the scientists tell us about the millions which communism has "scientifically" and "unscientifically" liquidated?

If there is a threat to humanity, it is only because communism exists and is scheming to disarm us so it can destroy our way of life. That was the way the Reds won China. Our wartime leaders kept war material from reaching Chiang Kai-shek, material which we had promised to deliver to him. They weakened him militarily. They disarmed him.

Now the plan is to disarm America. The disarmament plans are being discussed. And Moscow and the Communist propaganda machine are saturating America with their pleas to stop the H-bomb tests. They are using our humanitarians, our men of religion, and even the chain-letter routine as their tools. No sane man would believe that Moscow's motive was in the interest of human decency. To accept that would be a total error in the reading of history. For Moscow's motive over the span of 40 years has been based on how to win control of the world.

The double danger involved is that the Communist appeal is tailored for idealists, liberals, some religious leaders, and wishful thinkers. Mr. Adlai Stevenson loudly called for working out an agreement with Russia to end the nuclear testing during the last political campaign. The reaction of the American people to his suggestion was repudiation at the polls.

This business of trying to work out agreements with Soviet Russia borders on sheer insanity. Anyone who proposes such a course is to say the least, naive in his concept of world communism.

Even former President Truman admits that he found this out the hard, bitter way. He is now one of the most vocal in stating that "we can't trust Russia." Said Mr. Truman on a Milwaukee telecast:

If you'll read the agreements that were made at Yalta and the agreements that were made at Potsdam, 32 of those agreements were broken within 1 year, and that's what caused the difficulty. The Russians didn't keep their agreements, and they won't keep them now.

Those who are realistic about Soviet Russia state categorically that there can be no trust placed in a nation whose past record is one of complete insincerity. One of those to speak out just recently was none other than the highest military official in the United States, Adm. Arthur W. Radford, Chairman of

the Joint Chief of Staff. As the Nation's senior military authority, Admiral Radford voiced blunt distrust of Russian disarmament proposals advanced at London. He was quoted by the press as saying:

We cannot trust the Russians on this or anything. They have broken their word too many times.

Indeed, the record supports this indictment. Ever since 1917, world communism has regarded an agreement but a scrap of paper. An agreement to it is but a means to an end, a mirage, a delusion, a vehicle of expediency. In a study of this subject, the Senate Internal Security Subcommittee found that the Soviets have broken their word to virtually every country to which they ever gave a signed promise.

Said Senator EASTLAND:

I seriously doubt that if during the whole history of civilization, any great nation has ever made as perfidious a record as this in so short a time.

History is crowded with warnings about trusting this international outlaw. At Paris in 1919, Clemenceau of France said:

I need not say how valueless their promises are.

Speaking of the Bolshevik leaders of Russia.

On March 28, 1919, also in Paris, Herbert Hoover referred to bolshevism as a "murderous tyranny" which "we cannot even remotely recognize" let alone execute with them a valid and lasting agreement.

And in a speech on September 6, 1919, in Des Moines, President Wilson declared:

It (bolshevism) is the negation of everything that is American, but it is spreading and so long as the world is kept waiting for the answer of the kind of peace we are going to have and what kind of guaranties they are to be behind that peace, that poison will steadily spread, more and more rapidly until it may be that even this beloved land of ours will be distracted and distorted by it.

One year later, President Wilson's Secretary of State, Bainbridge Colby, warned again:

The existing regime in Russia is based upon the negation of every principle of honor and good faith. * * * The responsible leaders of the regime have frequently and openly boasted that they are willing to sign agreements and undertakings with foreign powers while not having the slightest intention of observing such undertakings or carrying out such agreements.

Charles Evans Hughes repeated this warning in 1924. And in 1955, William C. Bullitt said:

The aim of the Soviet Government is and will remain, to produce world revolution.

That the Soviets have no intention of keeping an agreement to ban nuclear weapons is not only clear from past history and past warnings; but Soviet leaders themselves openly boast that agreements are mere devices. The record has stated this for all to see.

Zinoviev, a Lenin lieutenant, in 1919, said:

We are willing to sign an unfavorable peace—it would only mean we should put no

trust whatever in the piece of paper we should sign. We should use the breathing space so obtained in order to gather our strength so that the mere continued existence of our Government would keep up the worldwide propaganda which Soviet Russia has been carrying on for more than a year.

Stalin was equally as despicable in dishonoring agreements, as Mr. Roosevelt and Mr. Truman so painfully found out to the sorrow of all. Said Stalin:

Words must have no relations to actions—otherwise what kind of diplomacy is it? Words are one thing, actions another. Good words are a mask for concealment of bad deeds. Sincere diplomacy is no more possible than dry water or wooden iron.

Those who speak of agreements with Russia now are grossly uninformed on the history of dealing with that nation. Those who say we can work out some system of trust so that the Russians will also ban their weapons are courting certain suicide.

That is the motive behind the propaganda to ban the H-bomb tests—to disarm the free world—to swing the balance of power and control to the Communists. Communist publications and literature are filled with propaganda imploring the United States to disarm and become humanitarian. But these same Communist organs fail to urge the Kremlin to do likewise. They fail to mention that Russia has 175 divisions under arms while we have only 19. They fail to say anything about Russia's 400 submarines and its air force and atomic weapons. It is only America whom they want to disarm.

Listen, if you will, to this pertinent passage from the January 1957 issue of Political Affairs, the monthly Communist pamphlet which lays down the Communist line in America. It said:

Great headway could be made in Congress and in 1958 and 1960 were labor to develop its own positive peace based on a settled national policy of peaceful negotiations and peaceful coexistence, expanded world trade, an end to H-bomb tests and the peacetime draft and a shift of the swollen arms programs to peacetime production.

Note the great emphasis the Communists place on disarming America. The entire Communist program is aimed at weakening the United States militarily. First, it would seek an agreement on the H-bomb which in reality would mean a return to conventional warfare if such occurred. But secondly, there is included the proposal to do away with the draft which would be a great blow to a nation forced to fight a conventional war.

To accept the Communist program would be counter to all commonsense, counter to mankind's very desire for self-protection and self-preservation. We must remain strong in this time of great danger.

To discontinue the perfecting of our weapons of defense and to seek an agreement with the unworthy Soviet leaders would be an abdication of our responsibility to mankind. To do this would be to forfeit our very insurance policy against war and against conquest. Our strength is our insurance. To forfeit our strength is to forfeit our insurance. That is tantamount to disaster.

One whose opinion on this is highly respected is William L. Laurence, a world famous science writer, who was the only journalist at the first atom bomb test in New Mexico in 1945. He also saw the bombing of Nagasaki and won a Pulitzer prize for his story on that attack and for subsequent articles on the development of the atom bomb. Mr. Laurence sees virtue in the possession of the hydrogen bomb, not unlimited danger. He says it is a savior of mankind; not a destroyer of it. Let me quote him:

This great iridescent cloud with its mushroom top * * * is actually a veritable protective umbrella that will forever shield mankind everywhere * * * against the threat of annihilation in any atomic war.

Any sizable war has become impossible, because no aggressor could from now on even dare to start an aggressive war, without the certainty of absolute and swift annihilation.

This world-covering, protective umbrella * * * will continue shielding mankind everywhere. * * *

To those who would have us stop our tests in the Pacific, I would therefore say: "These tests * * * serve as an effective substitute for war. History will record that World War III was fought and won on the Pacific proving ground."

It was when I saw that awesome force blast the peaceful Pacific sky that I believed the human race was freed from the threat of nuclear war.

From this expert observer, we see that nuclear weapons are the protectors, the shepherds of the civilized world. Mr. Laurence contends that the mere existence of these nuclear forces has virtually nullified the possibility of war. This is something that man has tried to do from the beginning of time; to outlaw war—to make war impossible. Thus the hydrogen bomb has invaluable virtue by its mere existence.

I say to my colleagues and to the world that the threat of atheistic communism is a far greater threat to mankind than the disputed fears over radioactive fallout. Communism has permeated all of society. It is a vicious evil destroying nations, civilizations, cultures, and peoples. Its radioactive propaganda has been poisoning the minds and hearts of men since the birth of its philosophy 109 years ago. The terror which it has visited upon humanity beggars description.

Let us never, in a fit of folly, submit to the urging of those who would have us disarm ourselves in face of this stupendous threat. Let us not become victimized by "nuclear neurosis" and unwisely compromise away that which is saving us. Let us rather keep strong—strong in our defense, strong in our spirit, and strong in our fervent belief in God. If we do that, no one will be able to disarm us. No one will dare challenge us. And we shall remain free.

Mr. POAGE. Mr. Chairman, I ask unanimous consent that the Clerk again report the amendment of the gentleman from Mississippi.

The CHAIRMAN. Without objection, the Clerk will again report the amendment.

(The Clerk again reported the amendment of the gentleman from Mississippi [Mr. WHITTEN].)

Mr. POAGE. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I take this time first to ask the gentleman from Mississippi just what effect this would have upon the sale of rice, as an illustration.

Mr. WHITTEN. It would have the effect of preventing the sale of any commodity for foreign currencies where the commodity is given away if we do not sell it for dollars. It so happens that at the moment I did not know we were selling rice for foreign currencies that we could not sell for dollars. But in all frankness I would say that it is my opinion, looking at the American financial interest and the interest of the farm program that we should not give commodities away when we could sell them and get dollars. That is what my amendment is intended to bring about, and if rice is being given away now, this would stop it.

Mr. POAGE. I do not know that rice is being given away anywhere. Rice is being sold for foreign currencies. I understand that rice is not being sold on the world market for dollars, because of the 105-percent program at home, and we have no particular export program for rice that I know of. But I merely use that as an illustration. I would like to say this points up the danger of something that looks good on its face, and that may be good. I would not say that it might not work out, but this amendment certainly has so many unknown factors in it, there are so many involvements about which none of us are sure; even the author of the amendment is not sure, that it seem clear that we should not pass it without considerable study.

I make no charges, but I do know there are not three Members of this House who understand what this amendment will do. The gentleman who offered it did not come before the committee. The committee had no opportunity to try to find out what it would do. We cannot find out here on this floor what it will do.

We have a program that is working pretty well. We have a program that has been moving a lot of commodities. We have a program that has been probably the most successful of the agricultural disposal programs. This might be a helpful amendment, and I certainly agree with the gentleman we ought not to sell even for foreign currency something we can sell for dollars. But our basic law provides that you cannot sell any of these commodities as long as the normal market in the normal channels of trade exists. Our Public Law 480 sales must be in excess of the normal trade. Consequently it seems to me we have in the basic legislation protection against the very thing the gentleman from Mississippi wants to protect us against, and the committee wants to protect us against. We are protected against that by the basic legislation.

The gentleman comes and suggests legislation to us. Neither he nor I nor the chairman of this committee nor any other Member of this House knows what it will do. It might not do a thing in the world except what the present law is doing. If it does not, we do not need it. If it does anything else, it is something we do not know about. It may very well

destroy the usability of this program for a good many segments of agriculture.

I hope you will vote down the amendment.

Mr. WHITTEN. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I regret to take this additional time when everyone wishes to vote. When the gentleman from Texas said I was unaware of what this amendment would do, I think he is in error. The amendment will do what it says it will do. If we are giving away commodities that could be sold for dollars, it would stop such practice. I do not know of any at the moment which meet that description. However, we did do that for several years. If we are doing it now, this amendment would stop it. Basically, what I would point out is the fact that we need to regain world markets. We need to let the world know that we are a producer and will sell competitively.

Getting rid of commodities, made surplus by being held off world markets, is no cure. Because these commodities were held off world markets, we accumulated huge amounts, commonly called surpluses. I just read to you that in 1953, 1954, and 1955 we were virtually out of the world market. So if we say that the yardstick is limited to normal trade, we may count years in which sales were low. We must be careful that under this Public Law 480 we do not give away what we could sell; that we do not let Public Law 480 be substituted for this very fine program which the Secretary is now carrying out, and under which he sold \$2.7 billion worth of commodities for American dollars this past year.

Mr. BELCHER. Mr. Chairman, will the gentleman yield?

Mr. WHITTEN. I yield to the gentleman from Oklahoma.

Mr. BELCHER. I think I misunderstood the gentleman, but I understood him to say that for many years we gave away products under this bill that could have been sold for dollars. The gentleman did not intend to make that charge, did he?

Mr. WHITTEN. Let me put it this way: For many years all the efforts to sell and all the sales were under Public Law 480. At that time the Department refused to sell competitively. Therefore, we were selling under 480, and we were not selling competitively. Since the Department has started selling competitively—last year we sold \$2,700,000,000 worth of commodities for cash; and judging by the experience since he has started selling competitively, I think you can draw the conclusion that we could have sold for dollars what we sold under Public Law 480 for foreign currencies, then virtually turning around and giving such foreign currencies back to the country involved.

[Mr. COOLEY addressed the Committee. His remarks will appear hereafter in the Appendix.]

The CHAIRMAN. The question is on the amendment offered by the gentleman from Mississippi [Mr. WHITTEN]. The amendment was rejected.

Mr. ROONEY. Mr. Chairman, I rise to a point of order against the entire bill, H. R. 6974, on the ground that it is

a bill from a committee not having authority to report an appropriation.

[Mr. COOLEY addressed the Committee. His remarks will appear hereafter in the Appendix.]

The CHAIRMAN (Mr. Hays of Arkansas). The Chair is prepared to rule on the point of order, but the motion offered by the gentleman from North Carolina that the Committee do now rise is in order, and the Chair will put the question.

The question is on the motion offered by the gentleman from North Carolina.

The motion was agreed to.

Accordingly the Committee rose; and the Speaker having resumed the chair, Mr. Hays of Arkansas, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill (H. R. 6974) to extend the Agricultural Trade Development and Assistance Act of 1954, and for other purposes, had come to no resolution thereon.

TEXTILE DEVELOPMENTS

(Mr. PHILBIN asked and was granted permission to extend his remarks at this point in the RECORD.)

Mr. PHILBIN. Mr. Speaker, in connection with textile matters, New England textile mills have been through the economic wringer in late years in large measure because of the reciprocal trade treaties, although there are other factors pertaining to sectional wage differentials, taxes, power costs, raw material sources and the like, that undoubtedly contributed to the decline of this industry.

New England woolen and worsted mills notwithstanding the crushing effects of foreign imports still produce more than one-half of the woolen and worsted fabrics of the United States. These mills employ 40,000 textile workers in 170 mills throughout the New England States. It is interesting to note the effects of sweatshop, low-wage, foreign goods imports since import duties were slashed about 10 years ago. In this period, foreign goods imports have increased by more than 800 percent and were so selectively managed that they absorbed the greatest share of the United States markets.

Hundreds of our American mills have been forced to liquidate and it is a fact that over 100,000 men and women have lost their jobs in the textile industry in the past decade because of this situation. All the while, the foreign producers of woolens and worsteds have enjoyed a substantially growing market in the United States. For example, the Japanese woolen and worsted industry now operates twice as many looms as the United States. In the past 3 years, Japan has increased its imports in this field to the United States by 650 percent. England and Italy have also increased their imports. In medium priced goods Japanese imports have increased by over 600 percent and higher priced fabrics over 1,200 percent.

In certain types of quality goods, imports have risen from one-half to almost

CENSUS LISTING OF FARMS MISLEADING

However, it seems to me that we have also added man-made difficulties to the farm situation. For example: The 1950 census lists as farmers all those who have 3 or more acres of ground and the value of whose products exclusive of the home garden have amounted to \$150. The \$150 worth of products produced could either be sold or consumed by the farm family. Places of less than 3 acres were counted as farms if the value of the farm products in 1949 amounted to \$150 or more. Think of it, the absurdity of counting anyone a farmer who produces only \$150 worth of products and which includes what the family may have consumed in the home.

Let us make a few comparisons on the basis of this classification.

Gross farm income in Iowa for 1956 and which includes all farms of all sizes, little and big, is estimated by the United States Department of Agriculture at \$11,685 per farm. It would take approximately 78 of these \$150 farms to equal the gross income of one average Iowa farm.

Let us take another comparison. Reports are now being summarized from 955 farms which in 1956 cooperated with the college in keeping farm records. These farms are mostly family sized farms but are above average in management. The average gross returns from these farms less purchase of feed and livestock was \$15,789 per farm which is more than 100 times as much as the lowest census classification of farms.

The trouble with the census classification is that a small farm figures in the statistics as the equal of a large farm. Thus, statistically the per capita income of farmers appears much lower than would be the case if none but real farmers were included in the computation. These so-called very low-income farmers, who are really not farmers, figured in general averages and make good statistical fodder for people who do not understand or who want to keep the agricultural political pot boiling.

LOW-INCOME FAMILIES IN IOWA GROUPED AROUND TOWNS AND CITIES

Low-income families classed as farmers are quite generally grouped around our cities and towns. They may not have gotten along too well financially in town or city and have moved to the suburbs or on land near the town to raise a garden and farm a few acres while earning extra money on town and city jobs. City people generally are glad to have them go out on these little holdings. Many of these families appear to like this kind of life. If they are a problem, they are a community and social problem and not a farm problem. They are, in fact, mostly a city or town problem. Agriculture has enough worries with drought, floods, etc., without taking on these low-income families living mostly around cities and towns.

Agriculture is going through a great technological change, almost a revolution. A farm family today, with modern machinery, gas, and electrical power can operate twice as much land and do it easier than the same family could have done it in the horse-and-buggy days, when farm power was furnished by horses working on small implements and machines. We have to adjust our farm programs to this new situation. The family farm that is a farm that occupies the time of the family is much larger than it was 40 years ago.

Why does land keep going up in price? Why is most of it being bought by family farmers? The answer is because the farmer considers it a good investment. He knows that with modern machinery he can farm more land with his present help and thus add to his income. The urge of the family farmer for more land is an economic one.

In the meantime, the sensible way to reduce production is to reduce the size of the plant that is the land under cultivation, and that is what the soil bank is designed to do. Let's give it a fair trial.

American Policy in the Middle East

EXTENSION OF REMARKS

OF

HON. LAWRENCE H. SMITH

OF WISCONSIN

IN THE HOUSE OF REPRESENTATIVES

Monday, June 3, 1957

Mr. SMITH of Wisconsin. Mr. Speaker, at his own expense Mr. Garland Evans Hopkins, a resident of Virginia and a student of early colonial history, has had excerpts printed from the farewell address of George Washington. His statements at that time seem especially applicable to American-Middle Eastern policy in this day and age.

Mr. Speaker, I am including as part of my remarks a brief foreword by Mr. Hopkins and the excerpts referred to:

[George] Washington is a well-known authority on American foreign policy. Some years ago, on the occasion of his retirement from Government service, he addressed a farewell message to his fellow citizens. The address, highly regarded at the time, seems more recently to have been lost sight of. Because of its pertinence as regards the developing American policy in the Middle East, certain excerpts seem worth of reprinting in this connection.

Some older readers will remember that Mr. Washington, now deceased, served for several years in the American Army, after which he was selected for important civil responsibilities in the American Government. Younger readers in areas where certain special interest propaganda has not penetrated too deeply may well remember hearing their parents refer to the wisdom of his farewell message and be glad of an opportunity to read for themselves some of the things he said. Indeed, even in New York City and along the eastern seaboard, the present generation may, if only to compare how far advanced its own ideas are, find the excerpts interesting. Some may possibly desire to call this reprint to the attention of Mr. Washington's successors in the city that bears his name.

WORDS OF ADVICE,¹ ESPECIALLY APPLICABLE TO AMERICAN-MIDDLE EASTERN POLICY

Friends and fellow citizens, * * * a solicitude for your welfare, which cannot end but with my life, and the apprehension of danger, natural to that solicitude, urge me on an occasion like the present to offer to your solemn contemplation and to recommend to your frequent review some sentiments which are the result of much reflection, of no inconsiderable observation, and which appear to me all important to the permanency of your felicity as a people. These will be offered to you with the more freedom, as you can only see in them the disinterested warnings of a parting friend, who can possibly have no personal motive to bias his counsel.

* * * Observe good faith and justice toward all nations. Cultivate peace and harmony with all. Religion and morality enjoin this conduct; and can it be that good policy does not equally enjoin it? It will be worthy of a free, enlightened, and, at no distant period, a great Nation, to give to mankind the magnanimous and too novel example of a people always guided by an exalted justice and benevolence. Who can doubt that in the course of time and things the fruits of such a plan would richly repay any temporary advantages which might be lost by a steady adherence to it? Can it be that Providence has not connected the permanent felicity of

a nation with its virtue? The experiment, at least, is recommended by every sentiment which ennobles human nature. Alas, is it rendered impossible by its vices?

In the execution of such a plan nothing is more essential than that permanent, inveterate antipathies against particular nations and passionate attachments for others should be excluded; and that in place of them just and amicable feelings toward all should be cultivated. The nation, which indulges toward another an habitual hatred, or an habitual fondness, is in some degree a slave. It is a slave to its animosity or to its affection, either of which is sufficient to lead it astray from its duty and its interest. Antipathy in one nation against another, disposes each more readily to offer insult and injury, to lay hold of slight causes of umbrage, and to be haughty and intractable, when accidental or trifling occasions of dispute occur. Hence frequent collisions, obstinate envenomed and bloody contests. The nation, prompted by ill will and resentment sometimes impels to war the government, contrary to the best calculations of policy. The government sometimes participates in the national propensity, and adopts through passion what reason would reject; at other times, it makes the animosity of the nation subservient to projects of hostility instigated by pride, ambition, and other sinister and pernicious motives. The peace often, sometimes perhaps the liberty, of nations has been the victim.

So likewise, a passionate attachment of one nation for another produces a variety of evils. Sympathy for the favorite nation, facilitating the illusion of an imaginary common interest, in cases where no real common interest exists, and infusing into one the enmities of the other, betrays the former into a participation in the quarrels and wars of the latter, without adequate inducement or justification. It leads also to concessions to the favorite nation of privileges denied to others, which is apt doubly to injure the nation making the concessions, by unnecessarily parting with what ought to have been retained, and by exciting jealousy, ill will, and a disposition to retaliate, in the parties from whom equal privileges are withheld. And it gives to ambitious, corrupted, or deluded citizens (who devote themselves to the favorite nation) facility to betray, or sacrifice the interests of their own country, without odium, sometimes even with popularity; gliding with the appearances of a virtuous sense of obligation to commendable deference for public opinion, or a laudable zeal for public good, the base or foolish compliances of ambition, corruption, or infatuation.

As avenues to foreign influence in innumerable ways, such attachments are particularly alarming to the truly enlightened and independent patriot. How many opportunities do they afford to tamper with domestic factions, to practice the arts of seduction, to mislead public opinion, to influence or awe the public councils * * *.

Against the insidious wiles of foreign influence (I conjure you to believe me fellow citizens) the jealousy of a free people ought to be constantly awake; since history and experience prove that foreign influence is one of the most baneful foes of Republican government. But that jealousy to be useful must be impartial; else it becomes the instrument of the very influence to be avoided, instead of a defense against it. Excessive partiality for one foreign nation and excessive dislike of another, cause those whom they actuate to see danger only on one side, and serve to veil and even second the arts of influence on the other. Real patriots, who may resist the intrigues of the favorite, are liable to become suspected and odious; while its tools and dupes usurp the applause and confidence of the people, to surrender their interests.

* * * Harmony, liberal intercourse with all nations, are recommended by policy, humanity, and interest. But even our com-

¹ Excerpts from the Farewell Address of G. Washington.

mercial policy should hold an equal and impartial hand; neither seeking nor granting exclusive favors or preferences; consulting the natural course of things; diffusing and diversifying by gentle means the streams of commerce, but forcing nothing; establishing with powers so disposed; in order to give to trade a stable course, to define the rights of our merchants, and to enable the government to support them; conventional rules of intercourse, the best that present circumstances and mutual opinion will permit, but temporary, and liable to be from time to time abandoned or varied, as experience and circumstances shall dictate; constantly keeping in view, that 'tis folly in one nation to look for disinterested favors from another; that it must pay with a portion of its independence for whatever it may accept under that character; that by such acceptance, it may place itself in the condition of having given equivalents for nominal favors and yet of being reproached with ingratitude for not giving more. There can be no greater error than to expect, or calculate upon real favors from nation to nation. 'Tis an illusion which experience must cure, which a just pride ought to discard.

In offering to you, my countrymen, these counsels, of an old and affectionate friend, I dare not hope they will make the strong and lasting impression I could wish; that they will control the usual current of the passions, or prevent our Nation from running the course which has hitherto marked the destiny of nations; But if I may even flatter myself, that they may be productive of some partial benefit, some occasional good; that they may now and then recur to moderate the fury of party spirit, to warn against the mischiefs of foreign intrigue, to guard against the impostures of pretended patriotism; this hope will be a full recompense for the solicitude for your welfare, by which they have been dictated.

G. WASHINGTON.

Philippine Memorial Hospital

SPEECH
OF

HON. EDITH NOURSE ROGERS

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Monday, June 3, 1957

(Mrs. ROGERS of Massachusetts asked and was given permission to address the House for 1 minute and to revise and extend her remarks.)

Mrs. ROGERS of Massachusetts. Mr. Speaker, I wish to call attention to the very fine editorial which appeared in the New York Times today regarding the importance of expanding the Veterans' Memorial Hospital in the Philippines. It might become a great research center for the entire eastern part of the world. I visualize the importance and far reaching value of such a project in many ways.

The people of the Philippines have expressed deep gratitude for the hospital. I instantly think of their great contribution to us in loyalty and fighting men—we owe them much—they have been our best friends.

The editorial follows:

A PHILIPPINE MEMORIAL

There is now an opportunity greatly to expand the functions and scope of the Veterans' Memorial Hospital in Manila. Thus far, operating in a sense as an adjunct of

the United States Veterans' Administration inasmuch as its costs have been reimbursed, the hospital has been obliged to work in a limited field. This can be modified as the Philippines take over complete responsibility for the service, which under present law will take place by 1960.

Meanwhile, modest amendments to existing legislation and perhaps some new authorization can make it possible to embark on a much more ambitious program. What has been suggested in the Philippines and what will probably be discussed at this session of Congress is the creation of a great Asian medical center with the Veterans' Memorial Hospital as its nucleus. Its primary service for veterans would not be changed, but it could be enlarged and thrown open to others.

Most important, it could be made an invaluable place for research and training in the field of tropical medicine. The possibilities presented are enormous and the hospital and medical center could become the greatest and most useful memorial to the fruitful Philippine-American association. The background for such a project is almost ideal. The Philippines have been a magnificent laboratory in the field of tropical medicine for almost three generations. In addition to this scientific background, however, is the geographical background. Manila could become a training point for young men from Thailand, Vietnam, Cambodia, Laos, and even Indonesia and Malaya. It could become a truly "Asian" health center. This is not an idle dream. It is a practical possibility.

Agricultural Trade Development and Assistance Act of 1954

SPEECH
OF

CLARE E. HOFFMAN

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Monday, June 3, 1957

Mr. HOFFMAN. Mr. Speaker, will whoever is in charge of this bill on the Democratic side tell me, is this an Eisenhower program?

Mr. O'NEILL. I do not know; apparently it is an Eisenhower program.

Mr. HOFFMAN. Does the leadership on the Republican side agree that this is an Eisenhower measure?

Mr. MARTIN. It is a measure that has been submitted by the Department of Agriculture; yes.

Mr. HOFFMAN. That will be helpful. I hope the Congressional Quarterly will take notice, if someone is not here and does not vote; that it will not do as it has been doing in the past, charge it up against that Member as a vote against the administration. That has been a fraudulent practice on the part of the Congressional Quarterly.

It has not been my effort to have anything to do with what it publishes or does not publish. The point that I have been urging against that publication is that it is sailing under a false flag. It is just like a pirate ship; it does not tell the truth about how a man votes. That is all I want it to do.

Now back to this program. As I understand, this bill adds \$1,200,000,000 of authorization; is that right? May I ask that question of some gentleman on the Democratic side?

Mr. COOLEY. One billion three hundred million dollars.

Mr. HOFFMAN. That goes, part of it, for the purchase of cotton, does it not, if I may ask the gentleman again?

Mr. COOLEY. Certainly not.

Mr. HOFFMAN. Is not cotton in surplus?

Mr. COOLEY. Yes; but it is not restricted to cotton.

Mr. HOFFMAN. I know, but cotton is in it, is it not?

Mr. COOLEY. Absolutely; yes.

Mr. HOFFMAN. I notice that in 1955 and 1956 one former Member of Congress from the South, a Democratic Member, got \$230,734.68 under that cotton program. That same provision is in the law today, for the cotton grower and the wheat grower, is it not?

Mr. COOLEY. The gentleman says that some Member of Congress got that much?

Mr. HOFFMAN. A former Member of Congress. But I say that that provision, enabling a cotton grower to get a subsidy of that amount in 1 year, is still in the law; all he has to do is to grow enough cotton.

Mr. COOLEY. Yes; but Mr. Benson has not advocated the repeal of the law to which the gentleman refers.

Mr. HOFFMAN. He has not?

Mr. COOLEY. No.

Mr. HOFFMAN. Would the gentleman support it if he did?

Mr. COOLEY. I am not sure that I would.

Mr. HOFFMAN. No; I guess not. Of course the gentleman would not.

Here is the thing that bothers me a little bit. The President said in his state of the Union message that if we did not watch our step we were going to ruin ourselves by spending too much money.

Then he said the other day, if I got it right, that if we did not go along with this defense appropriation, if we cut that any substantial amount, we were in danger of losing our freedom, that our national security was in danger.

Of course, we all know that somewhere there is a ceiling on the number of tax dollars we can collect. I want to go along with the President. I want to support the Eisenhower program if I can. But what puzzles me is, if there is a ceiling on the number of dollars and if we cannot take any away from defense, is it wise for the administration to come up here with another \$1,300,000,000 to take care of the farmers' surplus? That is a question I have been thinking about. I do not know whether anyone else has or not.

Can I follow a President, keeping in mind his state of the Union message, who says we must watch our step about appropriations but that we cannot cut defense? Of course, I think we can. We can squeeze enough water out of, cut enough fat off, our defense appropriations.

About this bill, is someone else going to tell us where we are going to get that extra \$1,300,000,000 and take in payment foreign currencies? I can understand how that is helpful to Congressmen who

go abroad and get these counterpart funds.

Mr. JUDD. Mr. Speaker, will the gentleman yield?

Mr. HOFFMAN. I yield to the gentleman from Minnesota.

Mr. JUDD. This bill does not authorize the appropriation of an additional \$1,300,000,000, it authorizes the sale for foreign currencies of a billion dollars' worth of surplus commodities that have already been bought and paid for—

Mr. HOFFMAN. By us.

Mr. JUDD. And the grant for relief purposes of \$300 million worth which has already been bought and paid for by the taxpayers. It does not authorize or appropriate additional money.

Mr. HOFFMAN. Of course, we could use that money to replace some of these other expenditures.

Mr. JUDD. Yes; if we abandon the program of agricultural price supports. But the money has already been appropriated and spent by the Commodity Credit Corporation when it bought the surplus commodities. When we can use these commodities in our foreign-aid program, the dollars appropriated for foreign aid are used to repay the Commodity Credit Corporation. It requires just that much less to restore the capital or purchasing capacity of the CCC.

Mr. HOFFMAN. Does the gentleman mean that we take the foreign currency, counterpart funds, instead of getting it in dollars?

Mr. JUDD. If the countries are unable to pay in dollars, yes, we get foreign currencies instead of dollars.

Mr. HOFFMAN. When the gentleman and I go across we get it.

Mr. JUDD. Otherwise we get nothing.

Possible Solution of Problems of Federal-State Relations

EXTENSION OF REMARKS OF

HON. ROBERT L. F. SIKES

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Monday, June 3, 1957

Mr. SIKES. Mr. Speaker, I wish to have inserted in the CONGRESSIONAL RECORD the following Senate Concurrent Resolution 116 and Senate Memorial 530, which have been passed by the Florida State Legislature during its 1957 session. These documents have been called to my attention by Hon. Richard W. Ervin, attorney general of the State of Florida, and I am glad to place in the RECORD his letter of May 30, 1957, transmitting the documents to me.

I feel that both the resolution and memorial from the Florida State Legislature deserve the fullest cooperation by the Congress:

STATE OF FLORIDA,
Tallahassee, May 30, 1957.

Hon. BOB SIKES,
Congressman, Washington, D. C.

DEAR BOB: I am enclosing herewith copy of Senate Concurrent Resolution 116 and Senate Memorial 530, which have been passed by the 1957 Florida Legislature.

You will note these two resolutions deal with the important subject of States rights, and I will appreciate you and the other members of our Florida delegation doing everything possible to bring about their serious consideration by the Congress as a possible solution to the ever-growing problem of Federal-State relations.

With kind personal regards, I am,
Sincerely,

RICHARD W. ERVIN,
Attorney General.

Senate Concurrent Resolution 116

Concurrent resolution memorializing Congress to call a convention for the purpose of considering an amendment to the Constitution of the United States relative to appeals from decisions of the Supreme Court of the United States involving States rights to the Senate of the United States

Be it resolved by the Senate of the State of Florida (the House of Representatives concurring), That the Florida State Legislature does hereby make application to the Congress of the United States to call a convention for the purpose of proposing the following article as an amendment to the Constitution of the United States, to wit:

"ARTICLE —

"SECTION 1. Jurisdiction of Senate as an appellate court: The Senate of the United States shall comprise a court with final appellate jurisdiction to review decisions and judgments of the Supreme Court of the United States, where questions of the powers reserved to the States, or the people, are either directly or indirectly involved and decided, and a State is a party or otherwise interested in such question involved and decided. The Senate's exercise of such final appellate jurisdiction shall be under such rules and regulations as may be provided by the Senate, including the time within which appeals shall be taken. The decision of the Senate affirming, modifying or reversing the decision or judgment of the Supreme Court of the United States shall be final; be it further

"Resolved, That the Congress of the United States be, and it is hereby requested to provide as the mode of ratification that said amendment shall be valid to all intents and purposes, as part of the Constitution of the United States, when ratified by the legislature of three-fourths of the several States; and be it further

"Resolved, That a duly attested copy of this resolution be immediately transmitted to the Secretary of the Senate of the United States, the Clerk of the House of Representatives of the United States and to each Member of Congress from this State."

Senate Memorial 530

Memorial to the Congress of the United States of America proposing an amendment to the 10th amendment of the Constitution of the United States by enumerating certain of the reserve powers of the States in respect to the exercise of State police power and providing means to safeguard such powers from encroachment

Whereas it is imperative to maintain an equilibrium of power in a federated system of government that contemplates a division of responsibility between the National or Central Government and the respective sovereign States;

Whereas it appears that unless the States' residual power is at least broadly delineated and safeguarded to some appreciable degree the Central Government will continue by lack of definitive guidelines and checks to encroach upon the powers of the respective States: Now, therefore, be it

Resolved by the Legislature of the State of Florida, That the Congress of the United States is hereby memorialized and respect-

fully urged to propose such amendment to the 10th amendment to the Constitution of the United States to provide that among the rights and powers reserved to each State are the police powers to enact regulations to promote the public peace, safety, and welfare of the State and to provide for good order, education, and harmonious race relations therein. In these enumerated fields except where the Congress of the United States by legislation provides expressly to the contrary the laws and regulations of the State shall govern.

Agricultural Trade Development and Assistance Act of 1954

SPEECH OF

HON. WILLIAM S. HILL

OF COLORADO

IN THE HOUSE OF REPRESENTATIVES

Monday, June 3, 1957

The House in Committee of the Whole House on the State of the Union had under consideration the bill (H. R. 6974) to extend the Agricultural Trade Development and Assistance Act of 1954, and for other purposes.

Mr. HILL. Mr. Chairman, I yield myself such time as I may require.

Mr. WHITTEN. Mr. Chairman, will the gentleman yield at this point?

Mr. HILL. I yield for a question.

Mr. WHITTEN. I would like to announce, with the gentleman's permission, that I have sent an amendment to the desk, because for 2 or 3 years we have sold under Public Law 280 and we have refused to sell for dollars. That has since been corrected, and we are selling those commodities for dollars now. For several years this bill was used in substitution for normal sales. I am simply calling attention to an amendment which I expect to offer at the bottom of page 1. Add the following proviso:

Provided, That no commodity of which the Commodity Credit Corporation has a supply, and which commodity is not being offered for sale in world trade through normal channels at competitive prices for dollars shall be eligible for sale to foreign countries under the provisions of this act.

That means you have to offer them for dollars first. History has proven that we should have that proviso here, because for several years that course was not required.

Mr. HILL. I thank the gentleman. In my remarks I shall attempt to cover that subject.

Mr. Chairman, 3 years ago the Congress enacted Public Law 480 as a temporary measure to "expand international trade among the United States and friendly nations, to facilitate the convertibility of currency, to promote the economic stability of American agriculture and the national welfare, to make maximum efficient use of surplus agricultural commodities in furtherance of the foreign policy of the United States, and to stimulate and facilitate the expansion of foreign trade in agricultural commodities produced in the United States by providing a means whereby surplus agricultural commodities in excess of the usual marketings of such

commodities may be sold through private trade channels and foreign currencies accepted in payment therefor."

To accomplish these objectives the legislation provided that surplus commodities could be sold at competitive prices in foreign markets for local currency, could be bartered for strategic materials needed by the United States, and could be given as outright grants for emergency assistance to friendly peoples of other nations to meet famine or other disasters. The legislation also expanded the availability of surplus food for needy persons in the United States and the school-lunch program.

Under our agricultural programs, we are producing vast quantities of food and fiber that is in excess of our domestic market needs. These surpluses are being stored and warehoused at tremendous expense to the taxpayer while we continue to increase the production of the same commodities.

Public Law 480 was designed to help eliminate these surpluses so as to restore to a more normal condition our domestic markets. With the surpluses hanging over the heads of the farmer, he is subject to a depressed market that has not kept pace with the general rise in other segments of our economy.

The program has been successful, as far as it has gone, and all this bill does is extend it for another year. Each year under its operation the disposal program has accelerated until in the last 12 months we have reduced the holdings of the Commodity Credit Corporation by approximately \$1,300,000,000 from its peak \$8,900,000,000 in February of 1956.

At the same time, our export trade in agricultural commodities is higher than it has been at any time except for the Korean war year of 1952-53.

Further reductions of Commodity Credit holdings are likely as a result of the combined effects of continued surplus disposals if this program is continued.

The bulk of our disposal has been under title I, and the foreign currency accumulated therefrom may be used for our Government expenses abroad. Part of the money is being spent to develop new markets for our surplus products throughout the world. Continued success of the program will assist in eliminating surplus Government stocks and, at the same time, increase the demand for commodities in foreign markets. Properly controlled and directed, much of this foreign market will be directed into actual dollar sales.

Although we all are gratified with the quantity of surplus farm products which has been sold for foreign currency under title I of Public Law 480, we must never lose sight of the fact that our primary goal is developing foreign markets is to develop dollar markets for our products which will be moved through regular commercial channels.

For example, title I sales have been made to certain west European countries which have generated local currencies that are now available for market development purposes. Such funds can of course be used to develop markets for commodities other than those

which are sold to generate the funds in the first place. Moreover, the funds can be used for market development purposes over a period longer than the 1 year in which the Public Law 480 commodities were moved into the country. In this way, the funds can be and should be used to promote the expansion of dollar markets through commercial channels. It is my understanding that this is what is meant, for example, by the language on page 13 of the Report No. 432 dealing with the extension of Public Law 480, where the report makes specific reference to the poultry program which was started in Germany last year. Using this case as an illustration, I understand that local currency funds are available for continued market program activities this year. If those activities can be directed to expansion of a dollar market for United States poultry in West Germany, for example, then this kind of program will have accomplished one of the primary purposes that Congress had in mind when we enacted Public Law 480 during the 83d Congress.

Mr. SPRINGER. Mr. Chairman, will the gentleman yield?

Mr. HILL. I yield.

Mr. SPRINGER. Is it not fair to say, to bring this down to a realization of its effect upon the farm population of this country that if this bill had not been in operation during the calendar years 1955 and 1956, that meats, particularly pork; cotton, soy beans, wheat, rice, and 1 or 2 other commodities would have been selling on the local market at very substantially lower prices than they did during those 2 calendar years?

Mr. HILL. The gentleman is exactly correct.

Mr. SPRINGER. May I just make one addition statement: It is estimated that in my congressional district—and this will be true I think in every district where soy beans are raised—that if it had not been for the 65 million bushels that were sold overseas in the calendar year 1956, soy beans would have been selling in the open market from 50 to 75 cents a bushel lower than they did.

Mr. HILL. I thank the gentleman.

I would like to turn for one moment to the testimony given before our committee on this bill, then I will be glad to yield. I think we get tangled up in our thinking as to what this bill is supposed to do. First of all, it is a bill to dispose of surplus products that we already own. It is not a purchase program, in any sense of the word. We are trying to dispose of the surpluses that are now in the bins, bought, paid for, and under the control of the Commodity Credit Corporation.

Mr. BROWN of Missouri. Mr. Chairman, will the gentleman yield?

Mr. HILL. I yield to the gentleman from Missouri.

Mr. BROWN of Missouri. In view of the gentleman's statement that here we have something we do not need, something that is costing us money to store, and, further, it is depressing the value of some things we have that could be more valuable if it were not for the surpluses, it would look to a country boy that if we

got nothing but a pocketknife or an airplane trip for Secretary Dulles out of it we have gained by cutting down on the surplus storage expenses.

Mr. HILL. There is no question about that statement because of the fact that we already own this product.

Now, Mr. Chairman, here is something that most of us forget. We are paying storage every day amounting to hundreds of thousands of dollars. Now, let us take corn. In my area we have from 500,000 to 1 million head of stock on feed. Not a single feeder would look at corn that was over 4 years old. You are going to take that loss. Everyone in the United States is going to take that loss.

Let me make another statement about wheat. How many in this room know that after you have had wheat from 10 to 14 years in storage you would not get a single copper per bushel for it? You are going to lose that. This program takes the top off of the surpluses that we have paid for and that are now in storage.

Mr. O'NEILL. Mr. Chairman, will the gentleman yield?

Mr. HILL. I yield to the gentleman from Massachusetts.

Mr. O'NEILL. The truth of the matter is if you take off the surpluses and send them overseas, as soon as you get more storage space in the bins you buy more surpluses, and the storage bins are always full.

Mr. HILL. Does the gentleman believe that?

Mr. O'NEILL. I do; yes.

Mr. HILL. The gentleman thinks that because he does not know the figures. These are true and the gentleman can check them if he wants to. A year ago we had more than \$600 million worth of wheat stored. That is your wheat, that is my wheat. It is already paid for. Does the gentleman know what we have today? He will be surprised. A little over \$325 million. That is a wonderful record. I do not think we are going to do what the gentleman said.

Mr. O'NEILL. But you are asking for an additional billion dollars this year, is that so?

Mr. HILL. Yes.

Mr. O'NEILL. In the report there is shown that of the money in the various nations overseas, for example we spent \$7,500,000 for the purchase of strategic materials, and also for military procurement.

Mr. HILL. Do not quote strategic material figures to me because that is not what I am talking about.

Mr. O'NEILL. I want to ask this question: The Defense Department spends money for the military program or it spends money for the purchase of strategic materials. Now do they in turn pay that money back to the Commodity Credit Corporation?

Mr. HILL. The gentleman asks a double barreled question. Of course, they do to a certain extent. In Spain alone they are using these counterpart funds up to 25 to 30 percent. In country after country they are using these funds that we have purchased in other countries. We are using them for the purchase of, let us just make it plain, air-

plane strips or let us say they are for buildings that we must have, not only to house our military men but to house some of our other personnel.

Mr. O'NEILL. I appreciate the problem of farm surpluses, make no mistake about that. I realize it is a terrific problem. Whether this is the correct way I doubt very, very much, when I see all of this money piled up over there the way it is in the various nations of the world.

Mr. ALBERT. Mr. Chairman, will the gentleman yield?

Mr. HILL. I yield to the gentleman from Oklahoma.

Mr. ALBERT. On the question of buying additional commodities, the law fixes the requirement for the purchase of commodities under the price-support program, and the Commodity Credit Corporation will purchase those commodities or take them under loan regardless of any Public Law 480 program, so it will not add at all to the number of purchases made by the Commodity Credit Corporation.

Mr. HILL. Of course, there is no question about that. There is no one against this program if they understand it. I make that statement without fear of contradiction.

Mrs. KELLEY of New York. Mr. Chairman, will the gentleman yield?

Mr. HILL. I yield to the gentlewoman from New York.

Mrs. KELLEY of New York. Since we have the surpluses which we cannot use here in the United States to a greater degree, would it not be better to give these surpluses to these nations abroad who are on the borderline of diverting or defecting from Communist control? In that way we would have the right to distribute them, thereby making sure that the people of that nation received our aid.

Mr. HILL. Using the old TV gag, I am glad the lady asked that question. Nothing could be more true than what she said. But, we are doing that, and I have always felt in my own heart if we had done the thing the lady suggests in the beginning with surpluses and put no strings onto any hungry people, wherever they were or wherever we could find them, and gotten the surpluses to them, I think we would have been money ahead. But, we did not. Now, we have a complex program. It is working excellently not only in the way I suggest, but it is the very thing that the gentlewoman suggested. Time after time in disasters in foreign countries the Secretary of Agriculture has done a magnificent job in seeing that these surpluses get into the area that is in distress. And, he has done the same thing in these United States. Now, that answers the gentlewoman's question completely.

Mrs. KELLEY of New York. It has been a good program, I agree, and I would vote for it, but I cannot see selling it to governments and thereby relieving the necessity of the Soviet regime in bearing the responsibility for the failure of their economic theory.

Mr. HILL. That is a fine suggestion, and I wish we would have started out on it, but we did not. We are not going back; we are going forward, and I

am glad the gentle lady said she would support it.

Mr. PELLY. Mr. Chairman, will the gentleman yield?

Mr. HILL. I yield to the gentleman from Washington.

Mr. PELLY. I would like to ask the gentleman if these agricultural commodities must go, at least up to 50 percent of them, on American ships.

Mr. HILL. As I understand, that is legislation that passed in this House and it is still on the books. I would have to ask the chairman of our committee: Are half of these supplies shipped in our own bottoms?

Mr. COOLEY. Donation supplies go 50-50.

Mr. PELLY. Anything financed by our Government must go at least 50 percent in American ships?

Mr. HILL. I think that is correct.

Mr. PELLY. Does the gentleman know of any effort that has been made in connection with the legislation to eliminate that 50-50 provision?

Mr. COOLEY. We have eliminated it a few times, and if I had my way, I would eliminate it again. But, they have put it back each time.

Mr. PELLY. Some of us would like to know if there will be any amendment offered to that effect.

Mr. COOLEY. I do not know.

Mr. HILL. I doubt if we could eliminate it on the floor of this House.

Mr. NEAL. Mr. Chairman, will the gentleman yield?

Mr. HILL. I yield to the gentleman from West Virginia.

Mr. NEAL. I would like to get a little more clarity on this question of where the United States comes out on this thing. I understand that before these commodities can be distributed, the Government must purchase those things from the Commodity Credit Corporation. Is that true?

Mr. HILL. Let me read the gentleman a paragraph that will answer his question fully. I was just going to read it and I am glad the gentleman asked the question. This is testimony delivered before our committee. I believe these 10 or 12 lines will answer the gentleman's question:

Title I agreements are reached through the coordinated efforts of several Government agencies affected by the sale. Although the Secretary of Agriculture is authorized to determine the countries with whom agreements shall be negotiated and the commodities and quantities which may be included in these negotiations programs are developed in consultation with such agencies as the Department of State, the International Cooperation Administration, the Bureau of the Budget, the Department of Defense and other departments and agencies. This coordination is necessary because Public Law 480 is a complex act. It combines many purposes which affect domestic and foreign economic policies and involves activities of several departments and agencies.

I think the report will show how many agreements we have made with these countries. I hear some of our friends talking about this and one would think that this was a free, open, dumping program. It is nothing of the kind. A foreign country makes an agreement, signs

up saying that it will do a certain thing. We make a contract that we will furnish the surplus commodity that we own, to which we have title—you and I and the taxpayers of America.

Have I answered the gentleman's question?

Mr. NEAL. When the agency makes that contract it does not own that commodity. It belongs to the Commodity Credit Corporation; is that right?

Mr. HILL. That is right. It never passes out of the control of the Commodity Credit Corporation until it passes through the Export-Import Bank, if I recall the testimony that was given to our committee. They are the financial agency for this activity. I am sure I am right on that.

Mr. NEAL. As the financial agent—

Mr. HILL. Our financial agent.

Mr. NEAL. As our financial agent do they repay to the Commodity Credit Corporation the cost of these commodities?

Mr. HILL. Any dollars they get back, yes. Sometimes they do not get dollars back. That is all right, because in the course of the next 2 or 3 or 5 years we will be able to use those funds in the trades that we are making with that country. In other words, we will get back at least 25 percent or 50 percent in dollars, which dollars we would have had to provide if we did not have the currencies of those nations.

Mr. NEAL. Insofar as we are able to use the currencies of the foreign nations to our advantage we will benefit by that much, by not having to appropriate dollars to take care of certain things?

Mr. HILL. That is right.

Mr. NEAL. The difference between the actual cost to the Government of the commodities it purchased and stored and the amount of money we receive, represents the loss that the Government takes which it has to pay to the Commodity Credit Corporation.

Mr. HILL. You are putting money back into the Commodity Credit Corporation right in this bill to make up for some of those losses. And you will never spend money to any greater advantage than in that effort, in my own personal opinion.

Mr. HIESTAND. Mr. Chairman, will the gentleman yield on that very question?

Mr. HILL. I yield to the gentleman.

Mr. HIESTAND. Do I understand that the appropriations for such expenditures are to come from other subcommittees, such as the subcommittee handling foreign aid, or the subcommittee handling domestic aid, or whatever the subcommittee may be? Or will the appropriation have to come from the Subcommittee on Agriculture, because this is an agricultural bill?

Mr. HILL. The gentleman is talking about what kind of an appropriation now? I do not quite understand the gentleman.

Mr. HIESTAND. This authorizes expenditures, as I understand it.

Mr. HILL. This authorizes the sale of surplus commodities up to a definite amount.

Mr. HIESTAND. That is correct. Can the gentleman assure me that there will

be no additional expenditures necessary because of the passage of this bill?

Mr. HILL. The gentleman means there will be no money taken out of the Treasury; yes. There will be no additional cost or funds expended for the surpluses.

Mr. HIESTAND. I thank the gentleman.

Mr. OSTERTAG. Mr. Chairman, will the gentleman yield?

Mr. HILL. I yield to the gentleman from New York.

Mr. OSTERTAG. I should like to return to the question raised by the gentleman from Massachusetts in regard to what happens when these commodities are sold or bartered or given away to foreign countries.

Mr. HILL. The gentleman does not mean to say "given away" because these are not given away, unless the gentleman assumes that the currency is no good; and the gentleman is not making that assumption.

Mr. OSTERTAG. There are provisions in this bill for donations.

Mr. HILL. That is right.

Mr. OSTERTAG. To me, "donation" means "give away."

Mr. HILL. For disaster; that is right.

Mr. OSTERTAG. The gentleman from Massachusetts referred to the fact that as fast as you sell these commodities or barter or trade or give them away, the bins and the storehouses of America are continuously filled. That is true. We all agree about that, except that unless this bill passes and this program goes forward we will not have store-room enough to take care of the surplus that is continuing to develop and exist.

Mr. HILL. Of course the gentleman is correct. If we are going to carry on that type of program, which I do not think we will, the bins in our country will be too small to hold what we are going to produce. As a unit, our entire farm program needs overhauling. But that is no reason why we should not pass a bill like this that will help us in our immediate need. We are now searching for a better agricultural program. I think it will come in time.

Mr. OSTERTAG. In other words, it will cost us more for storage than it does today if something like this program is not passed?

Mr. HILL. Of course.

Mr. BOW. Mr. Chairman, will the gentleman yield?

Mr. HILL. I yield to the gentleman from Ohio.

Mr. BOW. The gentleman said a few minutes ago there is confusion about this bill. I admit there is some, and I am confused somewhat.

The gentleman said this is to get rid of surplus property. I notice it is said in the report, among other things, that Spain has received canned hams. I assume from that that we are in surplus in canned hams. At the same time, we can go into our markets and buy Polish ham, Holland ham, and other ham shipped in here. Can the gentleman explain that confusion to me, why we have the surplus we are sending out under this, yet these Polish, Holland, and other hams are coming into the country?

Mr. HILL. In order to answer the gentleman intelligently I would have to know why the Federal Government through its operations, and I include all the departments, sold hams to Spain, and I would naturally assume that we may not have been short, but the Department of Agriculture feels and I feel this very day that the price of pork is on a fairly stable level at this time. If they could use more ham shipped into Spain, where we are spending plenty of hard dollars, it might have been a good business deal regardless of what the gentleman says.

Mr. FULTON. Mr. Chairman, will the gentleman yield?

Mr. HILL. I yield to the gentleman from Pennsylvania.

Mr. FULTON. For the purposes of our own defense we are building tremendous bases in Spain, putting millions and millions of dollars in there for United States security so of course there are many transactions back and forth. Under this bill the International Cooperation Administration has the power to make the grants and set up loans under State Department policies. So that is part of our foreign policy, a part of our United States security.

Mr. HILL. I would say to the gentleman from Ohio [Mr. Bow], and I think he is entitled to the information, and I know I am entitled to it, that we shall ask the Department to give him, with a copy to me, a full and complete report, because I have the feeling that this is a legitimate deal, and probably the gentleman would be happy that the Department made it.

Mr. BROWN of Missouri. Mr. Chairman, will the gentleman yield?

Mr. HILL. I yield.

Mr. BROWN of Missouri. I believe the distinguished gentleman's point was, Why are we still importing hams from foreign nations when we have it in surplus enough to include it in the agricultural disposition of surplus act?

Mr. HILL. We have talked that over in our committee time on-time. So far as I know we have never had it answered. The truth of the matter is that the amount of pork produced in this country compared with what little ham you have shipped in from other countries is so small that really and truly, it has never made any imprint. It is just something to talk about, but it is something that so far as having any effect on our agricultural economy is concerned, amounts to nothing. I think I can prove that by the amount of pork that we produce and use.

Mr. BROWN of Missouri. I thank the gentleman.

Mr. GROSS. Mr. Chairman, will the gentleman yield?

Mr. HILL. I yield.

Mr. GROSS. Would it be possible for Poland under the terms of this bill to buy feed grains at bargain prices from the United States?

Mr. HILL. Well, No. 1: Do you know what feed grain is in surplus?

Mr. GROSS. What feed grains are in surplus? Why, wheat and corn are in surplus.

Mr. HILL. How much?

Mr. GROSS. A good many bushels, I am sure.

Mr. HILL. Just because corn is in storage in American storehouses in the United States is no reason to come to the conclusion that corn is in surplus. I am of the opinion that you do not have too large a surplus of corn—although I could be wrong.

Mr. COOLEY. Mr. Chairman, will the gentleman yield?

Mr. HILL. I yield to the gentleman if he has the answer to that question.

Mr. COOLEY. I think our committee was advised that the surplus in corn amounted to about 120 days supply.

Mr. HILL. I think you will find there is no surplus there so really corn is out. Let us get on to something else.

Mr. GROSS. May I ask the gentleman this question then. Are we exporting any corn under this surplus program?

Mr. HILL. Very little corn is being exported. I did not read the record, but I have it here. Very little corn, as I recall it, was exported. Corn does not lend itself, and this is a strange statement to make, to exportation. Why?

First. They are not used to feeding it. Corn was an Indian food and it has never been able to work its way into European consumption.

Second. It does not ship as well—it draws moisture a little more than wheat does.

Mr. GROSS. Of course, I am talking about corn for feed purposes and I based my question to you originally along that line.

Mr. HILL. For feed? Do you mean people?

Mr. GROSS. I mean feed for livestock.

Mr. HILL. I did not see, when I visited Europe, any corn being fed to livestock.

Mr. GROSS. I assume that hogs in Europe will eat corn, will they not?

Mr. HILL. My guess would be that they do not feed too much corn to hogs anywhere in Europe.

Mr. GROSS. They could eat it and they would eat it, if they could get it at bargain prices.

Mr. HILL. But, corn is not in great surplus and would not fit much into this program.

Mr. GROSS. I do not know what you mean by much.

Mr. HILL. There is not a surplus of corn in the world market, let us put it that way.

Mr. GROSS. I will get some time on my own tomorrow and try to get the answer to my question.

Mr. HILL. I am sure the gentleman will find just exactly what I said is true.

Mr. FULTON. Mr. Chairman, will the gentleman yield?

Mr. HILL. I yield.

Mr. FULTON. Under title I of this program, 75 million bushels of feed grains were shipped so the answer to the gentleman from Iowa is that there were feed grains shipped under this program, but not any large amount.

Mr. HILL. We would have to break that down and see what was corn and what was maize and how much was in

other types of grains. We could get that for the gentleman from Iowa, and I can get him the actual number of bushels.

Mr. JUDD. Mr. Chairman, will the gentleman yield?

Mr. HILL. I yield.

Mr. JUDD. I do not know whether this answer applies to the question raised about the Polish and Dutch hams and why we are importing these hams when we have our own American canned hams in surplus, and with reference to certain other commodities. The reason is that there are Americans who will pay their money to buy from the channels of private trade certain foreign products which they prefer to our American products. We think Minnesota cheese is the best blue cheese in the world, but we have people in Minnesota—Danes who will buy blue cheese from Denmark even though we have cheese stored here in caves which we have bought under the surplus commodity program and it could well be that there are people who like Polish and Holland hams enough that they will buy them. Unless we are going to regiment our economy, we cannot forbid them from buying them through the ordinary process of international trade.

That leaves us sometimes with such wonderful hams cured by our American packers, which we must dispose of before they spoil.

Mr. HILL. There is also the possibility that by selling hams we might be able to sell other products that are in tremendous surplus, which would be a good deal as far as the United States is concerned.

Statement of Hon. Kenneth B. Keating, of New York, To Extend the Refugee Relief Act of 1953

EXTENSION OF REMARKS OF

HON. KENNETH B. KEATING

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 16, 1957

Mr. KEATING. Mr. Speaker, today I have introduced a bill to extend the Refugee Relief Act of 1953 for some 58,000 immigrants cut off by termination of the act.

Under terms of the bill, special non-quota immigration visas would be issued to spouses and minor unmarried children who for various reasons were left behind, when their breadwinner came to the United States under the Refugee Relief Act of 1953.

Another section of the bill would grant special nonquota visas to "pipeline" cases—those people and their spouses and unmarried minor children whose assurances had been received and whose applications for entrance into the United States had begun to be processed, but who were unable to come to this country due to the expiration of the act, or the shortage of visas.

Under both sections of the bill, the immigrant involved would be required to file an application, have assurances from

American sponsors submitted and verified by State Department officials, and undergo investigations as provided in the Refugee Relief Act. An exception to this rule would be in cases involving immigrants for whom assurances had been submitted and verified under the old act. They would merely be required to have their original assurances reverified. If the old assurance were found to be no longer valid, however, a new assurance would have to be submitted and verified.

All safeguards of the Refugee Relief Act, including thorough investigatory provisions are retained in the proposed act, which would terminate 2 years after the date of its enactment.

The plight of families separated by expiration of the Refugee Relief Act is stark in the extreme. Many families sent their breadwinner on ahead to America, in full expectation the dependents could follow, only to be thwarted by the end of the act, a dearth of visas, or the complexities of the immigration laws.

Today, those from countries with heavily oversubscribed quotas face years and years of separation from their loved ones while awaiting visas. We must end these heart-rending separations.

This country should also permit entrance to those pipeline cases whose hopes for coming to America were raised only to be crushed when quotas became filled. After having earned the privilege of a visa, they now face the prospect of waiting for years for such authorization. We should grant these people special nonquota immigration visas.

According to estimates supplied by the Department of State, the following is a list of pipeline applicants who failed to obtain visas:

Belgium.....	1,601
France.....	2,001
Germany.....	368
Great Britain.....	1,563
Greece.....	11,323
Italy.....	24,175
Netherlands.....	362
Norway.....	24
Sweden.....	402
Jordan.....	367
Kuwait.....	36
Lebanon.....	495
Turkey.....	20
Burma.....	2
China.....	694
Hong Kong.....	13,357
Japan.....	1,865
Korea.....	175
Singapore.....	29
Australia.....	6
Costa Rica.....	1
Spain.....	2
Total.....	58,868

Passage of this legislation could strike a telling blow for America at a time when we are the target of so much worldwide criticism because of the stringency and inflexibility of our immigration laws. By enacting this bill into law, we can thus help ourselves abroad by raising our prestige, and can help ourselves at home by enriching our national blood with new and worthy citizens.

It is my hope that early hearings can be held on this legislation, as well as all other legislative proposals which have been made to amend our immigration statutes.

Mental Health Services Could Deprive Citizens of Constitutional Rights

EXTENSION OF REMARKS

OF

HON. USHER L. BURDICK

OF NORTH DAKOTA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 4, 1957

Mr. BURDICK. Mr. Speaker, all over the country there seems to be a movement designed to take away from persons designated as mentally ill, their individual rights guaranteed to all citizens under the Constitution. The right to trial by jury, to legal representation, and to habeas corpus, are all being bypassed in what appears to be a determination to "railroad" more and more people into mental institutions.

As one example of this, I should like to commend to the attention of the Congress a letter to the editor, published in the May 16, 1957, issue of the Modesto Journal, of Modesto, Calif.:

To the Editor.

DEAR SIR: Introduced in the 1957 session of the California Legislature are a number of mental health bills that could be used to suppress individual rights, if the power fell into the wrong hands. These bills refer constantly to the mentally ill. Just who is a mentally ill person? Is he an insane person? Or is he a person whose beliefs and opinions are abnormal or different to those of the psychiatrist or whoever it is that examines him?

Farfetched? What about the Finn twins, who were sent to a mental institution when they became obnoxious in resisting the Government? What about the case of young Ron Ramsey, of Compton, Calif., who wrote some letters to the editor that were strongly anti-U. N.? After his committal as a mental case, he was paroled on the provision that he not write any more letters to newspapers.

Senate bill 244 (or assembly bill 630) would provide for a vast and expensive network of community mental health services. Under this act, each county, and each city of over 50,000 population, may establish a mental health service. These services are to augment and promote the improvement and if necessary, the expansion of already existing psychiatric services in general hospitals or clinics that help to conserve the mental health of the people.

Senate bill 244 has been passed by the senate on May 9, 1957, with only four no votes. They were Desmond, DiIworth, Donnelly, and Berry. However, before passing, the bill was amended to eliminate any bed care, to eliminate the requirement of issuing propaganda to schools, etc., on mental health. Another amendment excludes alien doctors from the program. It is now before the assembly.

Assembly bill 3787 appears to have the purpose of eliminating the right of trial by jury to those charged with being mentally ill: "Any person committed to the care and custody of the counselor in mental health under the provisions of section 5076, may make application, by petition duly verified, for an order adjudging that such person is competent. The hearing shall be conducted by the court, without a jury, in the same manner as civil cases."

(This bill deletes the present words: "and on demand, by the petitioner, shall be tried by a jury," and substitutes the words: "without a jury.")

The danger of assembly bill 2496 could leave the person charged with being mentally ill virtually friendless before the judge. It pro-

vides: "All persons not necessary for the conduct of the hearing may be excluded if it appears to the judge, or the commissioner, if one has been appointed, that his best interests will thereby be served; provided, the judge, or the commissioner, if one has been appointed, together with the two medical examiners shall examine the alleged mentally ill person in or out of court."

Once committed, assembly bill 968 would allow confiscation of the individual's property: "In all cases where a patient is committed to the care and custody of the counselor in mental health for placement in a county or licensed private institution, the counselor shall be authorized to receive, hold, and disburse for the necessary care and expenses of said patient, money and cash income, including but not limited to old-age security payments, and social security retirement payments, and pension payments, up to a total of \$1,000 at any one time. The counselor shall also be authorized to sign applications, affirmations, and reaffirmations for old-age security and to endorse and cash any checks, warrants, drafts, and other evidences of indebtedness payable to such patients."

Contrast the above with the provisions of the proposed senate bill 609 which states, "If in a criminal prosecution a defendant pleads not guilty by reason of insanity, and it is found that such person was insane at the time the committed the offense, but has recovered his sanity, and he is committed to a State hospital because of his insanity at the time of commission of the offense, neither such person, nor his estate, nor his relatives shall be held liable for such person's care, support, or maintenance in such State hospital."

Unbelievable? Here is one that eliminates the fourth amendment to the Constitution of the United States. If enacted, S. 1299 would allow: "Any peace officer may, at any time of the day or night, in the execution of any of the provisions of this article, enter any dwelling or other building if the patient is therein or if the officer has reasonable cause to believe the patient to be therein, and, if the officer is not admitted after his authority and purpose have been made known, he may, at any time of day or night, break open any outer or inner door or window of such dwelling or other building or any part thereof in order to make entry for the execution of any of the provisions of this article."

Now, let us go back to the question of just who might be considered mentally ill, and be subject to some of the above. Perhaps the following quotations from an article of March 16, 1956, attributed to Dr. William Menninger will help: "At the latest count, there are 750,000 persons in our mental hospitals—as many as in all other kinds of hospitals combined. Outside of hospitals more than 10 times that number are suffering from severe mental or emotional disturbances; the alcoholic and the addicted, the delinquent and the criminal, the suicidal, the incompetent, the chronically unhappy—the 1 in every 16 Americans whose personality problems keep them from enjoying useful, effective, satisfying lives."

Well, 1 out of 16 are not too bad, as odds go. But let us read further: "As a matter of fact, this figure is too low. We have known for years that about 50 percent of the general practitioners' patients are actually suffering primarily from emotional disorders."

Still leaves you out? Read further: "All of us are at some times and in some degree affected by mental health. We may be persistent worriers or have difficulty in controlling our tempers; we may be sleepless in our beds or lonely in a crowd—mental ill health affects 1 out of 1."

ONE OUT OF ONE.

LAWS AND RULES FOR PUBLICATION OF THE CONGRESSIONAL RECORD

CODE OF LAWS OF THE UNITED STATES

TITLE 44, SECTION 181. CONGRESSIONAL RECORD; ARRANGEMENT, STYLE, CONTENTS, AND INDEXES.—The Joint Committee on Printing shall have control of the arrangement and style of the CONGRESSIONAL RECORD, and while providing that it shall be substantially a verbatim report of proceedings shall take all needed action for the reduction of unnecessary bulk, and shall provide for the publication of an index of the CONGRESSIONAL RECORD semimonthly during the sessions of Congress and at the close thereof. (Jan. 12, 1895, c. 23, § 13, 28 Stat. 603.)

TITLE 44, SECTION 182b. SAME; ILLUSTRATIONS, MAPS, DIAGRAMS.—No maps, diagrams, or illustrations may be inserted in the RECORD without the approval of the Joint Committee on Printing. (June 20, 1936, c. 630, § 2, 49 Stat. 1546.)

Pursuant to the foregoing statute and in order to provide for the prompt publication and delivery of the CONGRESSIONAL RECORD the Joint Committee on Printing has adopted the following rules, to which the attention of Senators, Representatives, and Delegates is respectfully invited:

1. *Arrangement of the daily Record.*—The Public Printer will arrange the contents of the daily RECORD as follows: First, the Senate proceedings; second, the House proceedings; third, the Appendix: *Provided*, That when the proceedings of the Senate are not received in time to follow this arrangement, the Public Printer may begin the RECORD with the House proceedings. The proceedings of each House and the Appendix shall each begin a new page, with appropriate headings centered thereon.

2. *Type and style.*—The Public Printer shall print the report of the proceedings and debates of the Senate and House of Representatives, as furnished by the Official Reporters of the CONGRESSIONAL RECORD, in 7½-point type; and all matter included in the remarks or speeches of Members of Congress, other than their own words, and all reports, documents, and other matter authorized to be inserted in the RECORD shall be printed in 6½-point type; and all rollcalls shall be printed in 6-point type. No italic or black type nor words in capitals or small capitals shall be used for emphasis or prominence; nor will unusual indentions be permitted. These restrictions do not apply to the printing of quotations from historical, official, or legal documents or papers of which a literal reproduction is necessary.

3. *Return of manuscript.*—When manuscript is submitted to Members for revision it should be returned to the Government Printing Office not later than 9 o'clock p. m. in order to insure publication in the RECORD issued on the following morning; and if all of said manuscript is not furnished at the time specified, the Public Printer is authorized to withhold it from the RECORD for 1 day. In no case will a speech be printed in the RECORD of the day of its delivery if the manuscript is furnished later than 12 o'clock midnight.

4. *Tabular matter.*—The manuscript of speeches containing tabular statements to be published in the RECORD shall be in the hands of the Public Printer not later than 7 o'clock p. m., to insure publication the following morning.

5. *Proof furnished.*—Proofs of "leave to print" and advance speeches will not be furnished the day the manuscript is received but will be submitted the following day, whenever possible to do so without causing delay in the publication of the regular proceedings of Congress. Advance speeches shall be set in the RECORD style of type, and not more than

six sets of proofs may be furnished to Members without charge.

6. *Notation of withheld remarks.*—If manuscript or proofs have not been returned in time for publication in the proceedings, the Public Printer will insert the words "Mr. ——— addressed the Senate (House or Committee). His remarks will appear hereafter in the Appendix," and proceed with the printing of the RECORD.

7. *Thirty-day limit.*—The Public Printer shall not publish in the CONGRESSIONAL RECORD any speech or extension of remarks which has been withheld for a period exceeding 30 calendar days from the date when its printing was authorized: *Provided*, That at the expiration of each session of Congress the time limit herein fixed shall be 10 days, unless otherwise ordered by the committee.

8. *Corrections.*—The permanent RECORD is made up for printing and binding 30 days after each daily publication is issued; therefore all corrections must be sent to the Public Printer within that time: *Provided*, That upon the final adjournment of each session of Congress the time limit shall be 10 days, unless otherwise ordered by the committee: *Provided further*, That no Member of Congress shall be entitled to make more than one revision. Any revision shall consist only of corrections of the original copy and shall not include deletions of correct material, substitutions for correct material, or additions of new subject matter.

9. The Public Printer shall not publish in the CONGRESSIONAL RECORD the full report or print of any committee or subcommittee when said report or print has been previously printed. This rule shall not be construed to apply to conference reports.

10. *Appendix to daily Record.*—When either House has granted leave to print (1) a speech not delivered in either House, (2) a newspaper or magazine article, or (3) any other matter not germane to the proceedings, the same shall be published in the Appendix except in cases of duplication. In such cases only the first item received in the Government Printing Office will be printed. This rule shall not apply to quotations which form part of a speech of a Member, or to an authorized extension of his own remarks: *Provided*, That no address, speech, or article delivered or released subsequently to the final adjournment of a session of Congress may be printed in the CONGRESSIONAL RECORD.

11. *Estimate of cost.*—No extraneous matter in excess of two pages in any one instance may be printed in the CONGRESSIONAL RECORD by a Member under leave to print or to extend his remarks unless the manuscript is accompanied by an estimate in writing from the Public Printer of the probable cost of publishing the same, which estimate of cost must be announced by the Member when such leave is requested; but this rule shall not apply to excerpts from letters, telegrams, or articles presented in connection with a speech delivered in the course of debate or to communications from State legislatures, addresses or articles by the President and the members of his Cabinet, the Vice President, or a Member of Congress. For the purposes of this regulation, any one article printed in two or more parts, with or without individual headings, shall be considered as a single extension and the two-page rule shall apply. The Public Printer or the Official Reporters of the House or Senate shall return to the Member of the respective House any matter submitted for the CONGRESSIONAL RECORD which is in contravention of this paragraph.

12. *Official Reporters.*—The Official Reporters of each House shall indicate on the manuscript and prepare headings for all matter to be printed in the Appendix, and shall make suitable reference thereto at the proper place in the proceedings.

Digest of CONGRESSIONAL PROCEEDINGS

OF INTEREST TO THE DEPARTMENT OF AGRICULTURE

OFFICE OF BUDGET AND FINANCE
(For Department Staff Only)

Issued June 6, 1957
For actions of June 5, 1957
85th-1st, No. 96

CONTENTS

Acreage allotments.....2	Fruits.....41	Reclamation.....12,37
Animal disease.....8	Imports.....41	Records.....20
Appropriations.....4,42,48	Industrial uses.....5	Reorganization.....9
Atomic energy.....52	Inflation.....18	Research.....5,36
Budget.....7,35	Lands.....28	Soil bank.....26
Buildings.....11	Legislative program.....23	Subversive activities...16
Conservation.....15,31	Livestock.....26,49	Surplus disposal.....1,21
Cotton.....24,46	Loans.....3	Stockpiling.....44
Electrification...12,25,50	Meat inspection.....34	Taxation.....12,51
Expenditures.....13	Minerals.....27	Textiles.....29
Farm Bureau.....14	Monopolies.....22,45	Tobacco.....19
Farm program.....36,43	Organization.....30	Trade, foreign...1,6,21,24
Flood control.....47	Personnel.....13,40	Transportation.....17
Flood relief.....26	Pest control.....15	Water.....32
Food additives.....39	Public Law 480....1,21,44	Wilderness.....10
Foreign aid.....33	Property.....38	

HIGHLIGHTS: (See Page 6,)

HOUSE

1. FOREIGN TRADE; SURPLUS DISPOSAL. The Rules Committee reported an open rule waiving points of order on H.R. 6974, to extend the Agricultural Trade Development and Assistance Act of 1954 (Public Law 480) for one year. pp. D492, A4396, A4398
2. ACREAGE ALLOTMENTS. A subcommittee of the Agriculture Committee ordered reported with amendment H.R. 5678 (a clean bill is to be introduced), to make automatic the provision for protection of unused acreage allotment history during the period of the Soil Bank. pp. D491-92
3. LOANS. Received from the Budget Bureau a proposed bill "to insure greater consistency among Federal loan programs, to avoid hidden subsidies, and to achieve more effective coordination between Federal loan programs and the fiscal and credit policies of the Federal Government"; to Ways and Means Committee. p. 7526

SENATE

4. APPROPRIATIONS. The Agriculture Subcommittee ordered reported to the full Appropriations Committee H.R. 7441, the agricultural appropriation bill. p. D490
Sen. Johnson inserted a summary of Senate reductions in appropriation bills for 1958 as of June 5. p. 7468

5. RESEARCH. S. Res. 131, to print the report of the Commission on Increased Industrial Use of Agricultural Products, was reconsidered and agreed to with an amendment providing that the report be printed. p. 7466
6. FOREIGN TRADE. Passed without amendment H.R. 4136, extending for 5 years, until 1963, the power of the Export-Import Bank to make loans. pp. 7467, 7472, 7480-1. This bill will now be sent to the President.
7. BUDGETING. Passed as reported S. 434, to authorize budgeting on an accrued expenditures basis. pp. 7468-71
8. DISEASE INSPECTION. Sens. Humphrey and Thye urged a review of the procedures used in brucellosis inspection which they asserted were slowing up the fight on brucellosis and the discovery of reactors. pp. 7474-5
9. REORGANIZATION. Passed without amendment S. 1791, extending the Reorganization Act of 1949 until June 1, 1959. pp. 7485-6
10. WILDERNESS. Sen. Morse criticized the reduction made in the Three Sisters Wilderness Area and urged a review of wilderness procedures. He inserted a speech by the Chief of the Forest Service on "The National Forest Wilderness System." pp. 7509-11
11. BUILDINGS. The Subcommittee on Public Buildings and Grounds agreed to report to the Public Works Committee a bill to amend the Public Buildings Purchase Contract Act of 1954. p. D491
12. ELECTRIFICATION; RECLAMATION; TAX AMORTIZATION. Sen. Morse inserted a petition urging a high dam at Hells Canyon and a news article on the Idaho Power Co. tax amortization situation. p. 7444
Sen. Church inserted an editorial criticizing the White House stand on Pacific Northwest resources development as contradictory, and several letters on the Pleasant Valley Dam proposal. pp. 7460-2
Sen. Neuberger inserted two articles on the urgent need of Ore. for power, and urged a new priority system for industrial uses of power. pp. 7462-3
Received from the Interior Department supplemental data to its report on the Trinity River section, Central Valley project. p. 7442
Sen. Goldwater inserted a statement on the cost to the U.S. of the Idaho Power Co. tax writeoff certificates, stating that the figures given were arrived at by "mathematical legerdemain." pp. 7482-3
Sen. Neuberger inserted two editorials criticizing the fast tax writeoff given the Idaho Power Co. pp. 7506-7
Sen. Morse inserted an editorial supporting his position on the Idaho Power Co. tax amortization certificates, and another supporting his stand on criticism of the President. p. 7511
Sen. Morse inserted an editorial "Hells Canyon and Taxes," which urged that rapid amortization be abandoned. p. 7512
13. EXPENDITURES; PERSONNEL. The Joint Committee on Reduction of Nonessential Federal Expenditures submitted its report on Federal employment and pay for April. pp. 7444-8
14. FARM BUREAU. Sen. Wiley inserted excerpts from the Wis. Farm Bureau's newspaper commemorating the dedication of its new State office building. pp. 7455-7

Buildings Service, accompanied by associates, and numerous doctors representing hospitals throughout the District of Columbia; and

On S. 1908, to amend the D. C. Hospital Center Act to extend the time and increase the authorization for appropriations for purposes of such act, with testimony from David B. Karrick and associates, Frank Small, Jr., Ray J. McDonough, Greater Southeast Community Hospital Foundation, Inc., Dr. Solomon Greenberg, Southeast Hospital Committee, Dr. Herbert Ramsey, Hill-Burton Advisory Council, and L. W. Lawder, Washington Board of Trade.

MUTUAL SECURITY PROGRAMS

Committee on Foreign Relations: Committee concluded its hearings on proposed mutual security programs for fiscal 1958, with testimony in a morning executive session from Deputy Under Secretary of State C. Douglas Dillon, Assistant Secretary of State for Far Eastern Affairs, Walter S. Robertson, Capt. Berton Robbins, Office of Assistant Secretary of Defense for International Security Affairs, and Dr. Raymond Moyer, Office of Far Eastern Operations, ICA; and testimony in an open session in the afternoon from numerous public witnesses representing various organizations.

Committee will meet tomorrow in executive session to consider this matter.

ALASKA STATEHOOD

Committee on Interior and Insular Affairs: Subcommittee on Territories and Insular Affairs met in executive session for the consideration of S. 49, providing statehood for Alaska, but did not conclude its work and recessed subject to call. Also attending today's session were officials of the Department of the Interior.

RAPID TAX AMORTIZATION

Committee on the Judiciary: Antitrust and Monopoly Subcommittee continued its hearings on the Government's policy of granting rapid tax amortization certificates in certain industries, hearing testimony from Walter B. Cosdon and C. R. McDonald, both of Ebasco Services, Inc., Washington, D. C.; and J. B. Wyckoff, Tax Amortization Branch, and F. L. Parnell and James L. Farrell, both of the Production Branch, all of the Office of Defense Mobilization.

Hearings continue Friday, June 7.

PRIVATE BILL

Committee on the Judiciary: Subcommittee held hearings on S. 807, a private bill, with testimony favoring its enactment from Senators Jenner and Capelhart, and Representative Halleck. Testimony was also heard from numerous other witnesses, some of whom favored the bill and others opposed it.

Hearings were adjourned subject to call.

MINIMUM WAGE COVERAGE

Committee on Labor and Public Welfare: Committee continued its executive consideration of S. 1853, Fair Labor Standards Coverage Amendments of 1957, and proposed amendments thereto, but did not conclude its work and adjourned subject to call.

LEASE-PURCHASE ACT

Committee on Public Works: Subcommittee on Public Buildings and Grounds, in executive session, agreed to report a bill to the full committee to amend the Public Buildings Purchase Contract Act of 1954.

House of Representatives

Chamber Action

Bills Introduced: 13 public bills, H. R. 7928-7940; 9 private bills, H. R. 7941-7949; and 2 resolutions, H. J. Res. 348 and H. Res. 273, were introduced. Page 7527

Bills Reported: Reports were filed as follows:

H. R. 7261, making Federal Probation Act applicable to the U. S. District Court for the District of Columbia (H. Rept. 532);

H. R. 6789, providing for reasonable notice when applying for certain interlocutory relief (H. Rept. 533); and

Three private bills, S. 1179, H. R. 1701, and H. J. Res. 338 (H. Repts. 534-536, respectively). Page 7526

Civil Rights: Adopted, by rollcall vote of 290 yeas to 117 nays, H. Res. 259, the open rule providing for the

consideration of, and 4 days of debate on, H. R. 6127, to provide means of further securing and protecting the civil rights of persons within the jurisdiction of the United States. The consideration of the bill will commence on Thursday. Pages 7513-7522

Program for Thursday: Adjourned at 2:07 p. m. until Thursday, June 6, at 12 o'clock noon, when the House will consider H. R. 6127, to provide means of further securing and protecting the civil rights of persons within the jurisdiction of the United States.

Committee Meetings

COTTON

Committee on Agriculture: Subcommittee on Cotton ordered favorably reported to the full committee H. R. 5678 (amended and a clean bill to be introduced), to amend the Agricultural Act of 1938, as amended, to

remove acreage penalties for nonreporting. Agriculture Department witnesses were heard.

AIR FORCE CONSTRUCTION PROJECTS

Committee on Armed Services: Continued hearings on H. R. 7130, military construction bill, and heard Secretary of the Air Force James H. Douglas complete his testimony, followed by other Air Force Department witnesses in support of title 3 of the bill, relating to Air Force construction projects. Hearings continue tomorrow.

SMALL BUSINESS ACT

Committee on Banking and Currency: Met in executive session for consideration of the proposed extension of the Small Business Act; made no announcement and will resume executive consideration of this matter tomorrow.

MUTUAL SECURITY PROGRAM

Committee on Foreign Affairs: The full committee sitting as Committee of the Whole on International Organizations and Movements heard representatives of certain religious groups with regard to the Mutual Security Program.

ARMY LAND ACQUISITION POLICY

Committee on Government Operations: Subcommittee on Public Works and Resources continued hearing of representatives of the Corps of Engineers, Army Department, with regard to its land acquisition policy. Hearings continue tomorrow.

HISTORICAL PUBLICATIONS COMMISSION

Committee on House Administration: The Library Subcommittee held and concluded hearing on H. J. Res. 233, to provide for the cooperation of private and State historical commissions with the National Historical Publications Commission. Witnesses heard were Associate Justice of the United States Supreme Court Felix Frankfurter; Senator Bennett; Franklin G. Floete, Administrator of General Services; L. Quincy Mumford, Librarian of Congress; Wayne C. Grover, Archivist of the United States and Chairman of the National Historical Publications Commission; and other witnesses. Executive consideration of the bill is scheduled at a date to be announced.

AIRWAYS MODERNIZATION ACT

Committee on Interstate and Foreign Commerce: Subcommittee on Transportation and Communications began hearings on H. R. 6872, and related bills, to establish the Airways Modernization Board to meet the needs for safe and efficient navigation of all civil and military aviation. Witnesses heard were Representative Haskell;

Edward T. Curtis, Special Assistant to the President for Aviation Facilities Planning; and James R. Durfee, Chairman, CAB. Hearings continue tomorrow.

CLAIMS

Committee on the Judiciary: Subcommittee No. 2 held hearing on H. R. 6681, to provide for the defense of suits against Federal employees arising out of their operation of motor vehicles in the scope of their employment. Representatives of the General Services Administration, Post Office Department, and other witnesses were heard.

WILDLIFE—FISHERIES

Committee on Merchant Marine and Fisheries: Subcommittee on Fisheries and Wildlife Conservation held hearing with regard to the Interior Department proposal to transfer New York wildlife management areas to the State of New York. The subcommittee also considered the matter of the necessity for and location of future fish hatcheries in the United States.

FLOOD CONTROL

Committee on Public Works: Continued hearings on S. 497, Rivers and Harbor and Flood Control Act of 1957. Heard the following witnesses with regard to the flood-control project of the Millwood Reservoir and alternate reservoir, Little River, Okla. and Ark.: Representatives Edmondson, Albert, Thornberry, and Harris; and Senators Kerr and Monroney. A statement on the Shell Creek flood-control project, Nebraska, was submitted by Representative Harrison of Nebraska, and representatives of the Corps of Engineers, Army Department, were heard on both projects.

The committee will resume hearings on S. 497, and related flood-control project items, on Monday, June 10.

AGRICULTURAL TRADE ACT

Committee on Rules: Met in executive session and granted an open rule waiving points of order on H. R. 6974, to extend the Agricultural Trade Development and Assistance Act of 1954. In a preliminary hearing Representative Taber was heard in opposition to the granting of the rule and the following in support: Representatives Cooley, August H. Andresen, Anfuso, and Poage.

MONOPOLISTIC MEAT PRACTICES

Joint meeting: Antitrust Subcommittee and Subcommittee on Commerce and Finance of the Judiciary and Interstate and Foreign Commerce Committees, respectively, held hearing on H. R. 5282, and related bills, vesting the Federal Trade Commission with jurisdiction in relation to monopolistic meat practices. Among the witnesses heard was Senator O'Mahoney, and a state-

a day in 1932 to a current rate that exceeds 3 million barrels daily.

A champion of state regulation as opposed to Federal control, Thompson probably holds a record for testimony on oil and gas matters before congressional committees.

RAYBURN, in an unprecedented procedure, earlier this year introduced Thompson before the House Interstate and Foreign Commerce Committee as the individual who "knows more about oil than any other man in the world."

Although frequently a critic of domestic companies which import foreign oil, Thompson has defended vigorously the commission's across-the-board proration policy that permits all producers, large and small, to receive a fair share of authorized production.

Last week the Texas Independent Producers and Royalty Owners Association (TIPRO) presented Thompson its annual "recognition award."

"The Independent has thrived in Texas as nowhere else in large part because of the conservation measures inspired and defended by General Thompson," said the outgoing TIPRO president, A. E. Herrmann of Amarillo. "Texas is a stronghold of the small independent, largely because of his insistence upon equal treatment for all."

SECOND LARGEST

Thompson, a lieutenant general in the National Guard, told the TIPRO convention public service has been a source of great and lasting inner satisfaction.

Only one man has served longer on the commission than Thompson. A tenure of 26 years and 17 days for the late Allison Mayfield ended on January 23, 1923. Thompson can break this record on June 21, 1958.

"I'm not interested in breaking anybody's record but I'm willing to serve," Thompson said.

His fourth 6-year term expires January 1, 1961. He announced his candidacy for a third term in 1948 by releasing a statement of only 45 words.

After disposing of the formalities, Thompson concluded the statement by saying:

"I am thoroughly familiar with the work of the railroad commission and enjoy it."

Six Hundred Thousand Dollar Question: Do British Need Our Propaganda?

EXTENSION OF REMARKS

OF

HON. TIMOTHY P. SHEEHAN

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 5, 1957

Mr. SHEEHAN. Mr. Speaker, during the past several weeks both the House and the Senate have considered the USIA appropriation bill and many instances have already been pointed out suggesting ways to improve this program.

Mr. Ernie Hill, a reporter for the Chicago Daily News foreign service, in his article of June 3, points out the attitude of the British people toward our attempt to sell the English on our American way of life.

Mr. Hill's article is as follows:

SIX HUNDRED THOUSAND DOLLAR QUESTION: DO BRITISH NEED OUR PROPAGANDA?—WE'RE WASTING OUR TIME, MOST IN LONDON AGREE (By Ernie Hill)

LONDON.—The \$1-million-a-year American information program in Britain is being hacked down to \$600,000.

And the consensus among British and Americans alike is that another \$400,000 might come off without our suffering any dire consequences or anybody missing it.

The pitch seems to be that even if President Eisenhower gets cuts restored to the budget, less will be spent here anyhow.

The British, it is felt, just don't need as much propagandizing as the uncommitted peoples of the Middle East, Asia, and Africa.

The United States Information Agency operation in England is regarded by many as a waste of money.

This is true because the British speak the language, read American press association reports in their papers, see American movies, read American magazines and books and usually have a relative or two in the United States writing frequent letters back.

In fact, many Britons feel resentful that we spend so much trying to sell ourselves to them when they often know as much about us as we know about ourselves.

W. Bradley Connors, public affairs officer, who runs the program, has fired 30 British employees. He is closing the Manchester and Edinburgh USIA offices.

He has marked eight American staff members for transfer to other parts of the world.

There can be no question that his small empire of high-salaried staff members would have an excellent chance to contribute more to the information cause if stationed in the Middle East, Asia, or Africa.

"I have decided tentatively," he said, "to cancel \$60,000 a year worth of subscriptions to the European editions of the New York Times and Herald Tribune."

These newspapers are now presented daily with the compliments of the American taxpayer to all members of the House of Commons, House of Lords, foreign office employees, colonial office, and many libraries.

There has been feeling both here and in the United States that taxpayer Joe Blow might be just as happy if British Government officials bought their own newspapers.

The London USIA staff has included at least nine full-time staff members drawing upward of \$12,000 per year, counting allowances, which comprises a pretty high-powered team.

I asked six Fleet Street newsmen whether they or their newspapers got much information out of the USIA.

They said they occasionally got a little free bourbon at cocktail parties but little hard news.

"The trouble is," said one of them, "that any time there is a really big issue—like the reign of the late Senator Joseph McCarthy or Secretary of State Dulles' foot-in-the-mouth diplomacy—the USIA becomes as silent as the tomb. It has to be."

Connors proposes to abandon the daily mimeographed news sheets that are distributed to newspapers playing up the brighter side of official Washington pronouncements. They generally duplicate news agency reports with all of the acrimony squeezed out.

The film lending library is to be abolished. Cultural reports on the United States are to be made quarterly instead of monthly.

The USIA's most effective activity—the presentation on television of a monthly "report from America"—also may go down the drain.

It is a documentary presented by the British Broadcasting Corp. and USIA dealing with current events such as the success of desegregation in Louisville schools and Pittsburgh's conquest of smog, soot, and factory smoke.

Many Americans feel that all we need here is Connors, plus one assistant, and two secretaries.

Connors lines up such events as meetings with Ambassador John Hay Whitney and briefing sessions with Harold Stassen, President Eisenhower's disarmament representative.

Announcement of a 40-percent cutback in USIA spending has failed to arouse the British press to a single protest.

Some very nice guys and their wives are going to be missed from London's diplomatic cocktail circuit but it won't make much difference in the average Englishman's attitude toward the United States.

A Judge Repents

EXTENSION OF REMARKS

OF

HON. HENDERSON LANHAM

OF GEORGIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 5, 1957

Mr. LANHAM. Mr. Speaker, some 10 years ago I made a statement on the floor of the House condemning Judge Samuel A. Weiss, of Pennsylvania, for refusing to send James Moreland, a Negro, back to Georgia to finish a prison sentence there for assault with intent to kill. In the Atlanta Constitution for Friday, May 31, there appeared a story quoting Judge Weiss as admitting that he made a mistake in refusing to return Moreland to Georgia because of the fact that Moreland had amassed an impressive criminal record in Pennsylvania since the judge had refused to return him to Georgia.

In view of Judge Weiss' frank admission that he was wrong in his refusal to let Moreland be carried back to Georgia to serve his prison sentence, I must modify my opinion of Judge Weiss and say that he at least has the grace to admit his error and repent in "sackcloth and ashes."

With my own remarks, I submit the article I have just referred to:

JUDGE JAILS FUGITIVE HE ONCE SPARED

An embarrassed Pennsylvania judge who 10 years ago believed a Negro convicted of theft rather than Georgia's highest officials, Thursday had to eat humble pie as he sentenced the man he once had refused to extradite.

Judge Samuel A. Weiss, who back in 1947 refused to send James Moreland back to Georgia to finish a prison sentence here, imposed a 3½-to-7-year term on the Georgia escapee for assault with intent to kill after a knife attack.

When he imposed the sentence, Weiss reminded Moreland that he had blocked his extradition 10 years ago.

RECALLS CLEMENCY

"Do you remember me?" the jurist asked Moreland. "Once before you stood before me as you are doing today. I wrote a 51-page opinion giving you a new chance and denying your extradition to Georgia."

Moreland, in 1947, had claimed that he had been sentenced to 12 years for a \$20 burglary and had sworn that he had seen Negroes beaten, shot, and burned alive in Georgia chain gangs.

Georgia officials at the time refused to enter any court contest with the Negro, other than filing the usual extradition papers.

J. B. Hatchett, then assistant director of the State department of corrections, said at that time that Georgia was not on trial in the case, but the convicted man was.

HIT BY LANHAM

Congressman HENDERSON LANHAM said on the floor of Congress after Judge Weiss refused to extradite Moreland:

"If the State of Pennsylvania wants to harbor all the burglars, murderers, and rapists of Georgia, white and black, that is perfectly all right with me, but when this judge, or so-called judge, makes a statement that is absolutely without foundation in fact, I cannot refrain from speaking. I say that he disgraces the judicial robes he wears and is unworthy of the position he holds.

"The statement that James Moreland would suffer death by torture, lynching, or murder upon his return to Georgia, is entirely without foundation."

LONG RECORD

Georgia records show that Moreland, alias Jacob Head, first ran afoul of the law in 1938 after a burglary in Butts County. He was sentenced then to 3 to 5 years in prison, but was paroled after 3 months to take a job in Ohio. While in Ohio, he was sentenced to 2 to 30 years on conviction in a case of assault to rob and assault to kill. He served his minimum time there.

His Georgia parole was revoked and he was returned to this State. He was discharged in 1944, but was caught and convicted on 4 separate burglary charges in 1946 and given 3 years in each case. On May 17, 1946, he escaped from a hospital at the Grady County prison camp.

Since the kindhearted Pennsylvania judge refused to extradite him in 1947, Moreland has served an 18-month workhouse term in an assault and battery case, 11 to 23 months on a similar charge, a 12-month probationary term in an assault case, and 11½ to 23 months in a burglary case.

Rise of Russian Naval Power Should Cause Concern in West

EXTENSION OF REMARKS

OF

HON. BOB WILSON

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 4, 1957

Mr. WILSON of California. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following item from the San Diego Evening Tribune of May 23, 1957:

RISE OF RUSSIAN NAVAL POWER SHOULD CAUSE CONCERN IN WEST

One of the gravest oversights the free world could make would be to ignore or underestimate the rise of Russian seapower.

Yet, in the view of some military authorities, large sections of the non-Communist world are doing just that.

The disclaimer is sometimes heard, "Why do we need a Navy when Russia doesn't have one?"

Or, acknowledging the existence of a Red navy, others will pooch-pooch its effectiveness with the equally invalid statement that the Soviets have no naval tradition to draw upon.

Both of these attitudes are based on false assumptions—dangerous false assumptions.

Col. J. D. Hittle, writing in the Marine Corps Gazette, has performed a notable and needed service in dispelling these illusions.

Hittle calls the emergence of Russia as one of the great seapowers probably "the most fundamental and potentially dangerous Soviet development since World War II."

Continuing, he says, "Viewed in terms of its strategic implications, both with respect to Russian policy and United States national security, the rise of Russian seapower may well be the most important single develop-

ment in the vast and continuing east-west conflict."

The world seapower picture has changed radically in just 10 years.

A decade ago, the United States easily was the world's first ranking seapower. Britain was second. Russia was seventh.

Today, the United States still is first. Russia numerically is second. England is third.

Russia's in-being naval strength is impressive in its own right. But of even greater significance is the rapid rate at which the present strength is being augmented. For example, the Soviet building program in cruisers and destroyers is larger than that of the combined Western navies, Hittle says.

In another important category—submarines—Russia has an estimated 450 underwater craft. This is more than triple the submarine strength of the United States Navy. And Hittle adds this ominous comment:

"There is much to ponder in the fact that the present Russian submarine fleet, the world's largest, is eight times as large as Germany's at the start of World War II."

Naval tradition is an intangible, but prime, component of a nation's naval might. England has it. The United States has it.

And, despite historical examples of debacles, disasters, and downright inefficiency, so does Russia, although not in the same measure as that of the English-speaking nations.

But it is perilous to dismiss Russia's seafaring history as inconsequential. Hittle quotes the naval historian, Fred T. Jane, on the early origin of the Russian navy:

"A century before Alfred built the first English warships, Russians had fought desperate sea fights, and a thousands years ago the foremost sailors of the time were Russians."

What are we to make of Russia's naval buildup?

Considering the emphasis on certain types of vessels—cruisers, destroyers, and submarines, with virtually no construction of carriers—the Red navy appears to have two major roles:

Destruction of enemy sea lanes and protecting the sea flank of land forces.

Such employment of naval forces appears peculiarly appropriate to the requirements of possible Russian aggression in the Baltic, the Black Sea, and along the Western Pacific littoral.

Russia's deficiencies—notably in carriers and amphibious forces—may be calculated.

Whatever the design, however, as long as the United States possesses balanced fleets based on strong carrier and landing forces, the balance of naval power should rest with this country.

But there can be no complacency or relaxing our guard.

Agricultural Trade Development and Assistance Act of 1954

SPEECH

OF

HON. HAROLD D. COOLEY

OF NORTH CAROLINA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 4, 1957

The House in Committee of the Whole House on the State of the Union had under consideration the bill (H. R. 6974) to extend the Agricultural Trade Development and Assistance Act of 1954, and for other purposes.

Mr. COOLEY. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I just want to say again it is unfortunate that the gentleman from Mississippi [Mr. WHITTEN] did not bring this amendment to the attention of our committee, when we could very thoroughly have considered it. I hope the Committee will vote it down because, as the gentleman from Texas [Mr. POAGE] pointed out, we do not know just what effect it will have on the program. I ask the House to vote down the Whitten amendment.

Mr. Chairman, I ask unanimous consent that all debate on the pending amendment and all amendments thereto do now close.

The CHAIRMAN. Is there objection to the request of the gentleman from North Carolina?

There was no objection.

Ike Needs Nation's Support in His Striving for Peace

EXTENSION OF REMARKS

OF

HON. HAROLD R. COLLIER

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 5, 1957

Mr. COLLIER. Mr. Speaker, under leave to revise and extend my remarks in the Appendix of the RECORD, I wish to insert the commentary of John S. Knight, editor of the Chicago Daily News, which appeared in his column, the Editor's Notebook, under date of Saturday, June 1, 1957:

THE EDITOR'S NOTEBOOK: IKE NEEDS NATION'S SUPPORT IN HIS STRIVING FOR PEACE

The observance of Memorial Day has a poignant meaning to those who have lost their dear ones in our Nation's defense.

The futility of war, the senseless sacrifice of our country's youth, the victories that fail to bring permanent peace—these realizations must weigh heavily upon the collective conscience of world statesmen.

Wars of the future will be even more fearsome, with the intercontinental ballistic missile approaching an advanced stage of development.

There is no defense against this most terrible of all weapons. It will change all traditional concepts of the science of warfare.

Battleships, vast armies, submarines and jet aircraft will no longer be able to protect any nation's cities from the death and destruction that can be visited upon them by a missile attack.

It is appropriate, therefore, to give heed to President Eisenhower's words on disarmament as stated at his news conference on May 22.

"It seems to me," said the President, "that the more any intelligent man thinks about the possibilities of war today, the more he should understand you have got to work on this business of disarmament. * * * I think our first concern should be making certain that we are not ourselves being recalcitrant, we are not being playunish about the thing."

The President's reference was to the discussions now being conducted in London, where the Russians have proposed:

1. That eastern Siberia, Alaska, the Western part of the United States and much of

Europe should be opened to aerial inspection.

2. Substantial cuts in the armed forces of Russia, Red China, Great Britain, and France.

3. Public renouncement of the use in war of nuclear weapons, including rocket missiles. Commencement of negotiations leading toward the abandonment of nuclear-weapons stockpiles.

4. A cut in defense budgets of 15 percent.

RUSSIA'S SINCERITY ALWAYS QUESTIONED

The initial reaction to these proposals ranged from the characteristic optimism expressed by Harold E. Stassen, the President's disarmament representative, to growls from Adm. Arthur W. Radford, Chairman of the Joint Chiefs of Staff, to the effect that the Russians cannot be trusted.

On the record, Admiral Radford is right. The Russians have broken promises, violated pledges, ignored treaties.

There is no certainty that the Russians are sincere. It is entirely likely that they are merely seeking temporary relief from the huge armament burden.

Nor has any supportable evidence been introduced to convince a skeptical world that Russia has abandoned her plans for global conquest.

Nevertheless, as our President has said: "We have got to reach honest understandings on these things, in which each can have confidence which is fair, and the world can see is fair. * * * We ought to have an open mind, and make it possible for others—if they are reasonable, logical men—to meet us halfway, so that we can make these agreements."

PEACEFUL AIM OF UNITED STATES MADE CLEAR TO WORLD

The difficulty in the past has been that any proposal advanced by Russia, no matter how reasonably it was couched, was immediately greeted in this country with scorn and derision.

This was the shrill "diplomacy" of Truman and Acheson, the curious paradox of constantly preaching peace while rejecting out of hand even the tiniest peaceful utterance from Moscow.

With Eisenhower, there can be no doubt of his sincerity and earnestness in pursuing the quest for peace. At the beginning of his first term, the President, in two magnificent addresses before the American Society of Newspaper Editors, and the United Nations, made it abundantly clear that failure of the world to disarm would spell its own destruction.

Again, at Geneva, the President effectively shaped world opinion to a new confidence in the peaceful aspirations of the United States.

His latest efforts to advance disarmament are in the same vein—consistent, realistic, and sincere.

SOVIET TRICKERY ADDS A HANDICAP

It may well be, as Admiral Radford and the other skeptics are saying, that the Russians can't be trusted.

Judging from the past, there is certainly no reason to believe that they can be trusted.

Should we conclude, therefore, that the gigantic arms race between the United States and Russia must go rushing madly on, and that war's terrible carnage and destruction are inevitable?

Or is it better to say, as Eisenhower is doing, that "we must * * * keep our minds open and keep exploring every field—every facet of this great field—to see if something can't be done?"

It seems to me that the choice is clear. Obviously, we must not be so naive as to accept the Russian proposals on blind faith.

Soviet guile being what it is, they are probably boobytrapped to the full extent of the Kremlin's ingenuity.

And, personally, I would feel more comfortable if someone other than the idealistic but often misguided Harold Stassen were representing our country in these negotiations.

Still, there can be no serious quarrel with the view that the United States must explore every avenue to peace, even though we have traveled the same approaches before to a dead-end street.

THE CHOICE IS CLEAR: PEACE OR DESTRUCTION

Our choice is between a crushing and accelerating arms race with Russia, with war as its climax, which can only result in the destruction of much of the civilized world, and a sincere, persistent, and courageous effort to avert this catastrophe by ceaseless negotiations with the Soviet Union.

Admittedly, this is an oversimplification of the problem.

The discussions may get nowhere.

As in the past, agreements can prove meaningless.

We risk being tricked. But the hazards of negotiation are as nothing compared to the terrible consequences of failure to reach a mutually tolerable understanding with the Soviets.

The awful and futile tragedy of war is fresh in our minds from the honors we have paid on Memorial Day to the brave defenders of our land. Let us resolve that our youth must never be sacrificed again by the failure of our statesmen to exhaust all the resources of reason and humanity in their quest for peace.

JOHN S. KNIGHT.

Mr. Speaker, may I add that another global conflict might well result in a tragic end to modern civilization as we know it today. It is difficult to imagine the havoc, misery, and devastation of the next war. God forbid that the world will ever have to endure the suffering that it will impose upon humanity. In the face of the race in nuclear armament certainly there is nothing more important to this and future generations of the peoples of all nations than peace. Disarmament appears to be the solution to the impending destruction of war. It must be achieved in good faith and with the understanding of the peoples of all nations and not just their leaders. Achieving this final peace is not something that can be accomplished by treaties alone which rarely outlive those who create them and so frequently are not worth the paper upon which they are written. Yet we must all hope and pray that there is an answer and that it is the task of the peoples of all nations to seek and find it.

A Dangerous Thing

EXTENSION OF REMARKS OF

HON. WATKINS M. ABBITT

OF VIRGINIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 5, 1957

Mr. ABBITT. Mr. Speaker, I wish to insert herewith an editorial entitled "A Dangerous Thing," which appeared in the June 4 edition of the Lynchburg News, of Lynchburg, Va.

I feel that the comments contained in the editorial are extremely pertinent to

the situation we have before us this week with reference to the civil-rights bill. The editorial follows:

A DANGEROUS THING

John Kasper, the notorious racial agitator and rabble rouser, has lost his appeal to a United States circuit court from conviction by a Federal judge of contempt of court, and if his appeal to the Supreme Court is disallowed, as he has every reason to fear, he will have to serve his time in prison.

There's no sympathy here for the man, and little, we believe, among the people of the South generally. He is a promoter of race hatred. He is a nuisance and an evil. He is better off behind bars.

There is, however, cause for apprehension and it is, we believe, widespread in the South and should be in other sections. Kasper was tried before a single judge appointed from Washington for what was in reality, whatever the legal fiction, a crime, and sentenced without benefit of jury as guaranteed by the supreme law of the land.

It is a dangerous thing that has happened, a threat to the constitutional rights of all of us. If a Federal court can make a criminal case into a civil case by an injunction and jail 1 man for 1 offense it can do the same thing in the case of a criminal case of any kind. If constitutional guaranties can be swept away by pretext in the case of one man they can be swept away in others. Not alone in the South which is immediately affected but in all sections of the country where the threat is potential there ought to be protest and a demand for future security against judicial tyranny.

Living on a Postal Employee's Pay

EXTENSION OF REMARKS OF

HON. ELIZABETH KEE

OF WEST VIRGINIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 5, 1957

Mrs. KEE. Mr. Speaker, under leave to extend my remarks in the RECORD, I would like to call to the attention of the Members the following letter which I received several months ago from one of my constituents who is an employee of the Post Office Department, stationed in West Virginia. This letter, I feel, vividly illustrates the difficult problems encountered by our postal employees, the austere and barren existence demanded of their families, as these hard-working public servants struggle to make ends meet on their present inadequate salaries.

At the same time that our colleagues read what my constituent has written, I should like to remind them, Mr. Speaker, that discharge petition No. 2 on House Resolution 249 lies on the Speaker's desk awaiting their signatures to provide cost-of-living pay increases for postal and other deserving Federal employees:

BLUEFIELD, W. VA., February 16, 1957.

Mrs. ELIZABETH KEE,

Member of Congress, West Virginia Fifth District, New House Office Building, Washington, D. C.

DEAR MRS. KEE: I am writing you in connection with proposed, current postal legislation. I shall try to tell you briefly why it is so necessary that postal employees receive a substantial pay increase. I will mention only my own personal problems. I believe

they differ only in slight detail from thousands of other employees.

My take-home pay after all deductions, including \$10 for savings bonds, is \$141.33. On this I must maintain my home and two children in school. Fortunately, my home is paid for.

For the past 2 years I have been unable to save anything at all except in savings bonds. I had to cash some of these to pay for a paving assessment. Our 1941 model washing machine is making strange noises. Our stove and refrigerator were purchased the same year. I haven't owned a car since 1945. Doctors' and dentists' bills that I used to pay promptly now have to be paid on the installment plan in very small payments.

I have spent all my vacations at home the past several years—but not from choice. I would love to be able to make just a short trip somewhere to be able to show my wife what some other place besides Bluefield looks like.

My son, a junior in Beaver High School, has an I. Q. of 149. I should like to be of some help in getting him a higher education, but as matters stand now my help will be of little value.

The Postmaster General's 1955 Annual Report stated that during the past 2 years productivity had increased in excess of 10 percent. There has been no decrease, but a constant effort on the part of both the Department and employees to improve it. The U. S. News & World Report, on page 101 of its January 18 issue, lists 36 American industries where the average worker is now paid more than \$5,000 per year. Four thousand seven hundred and ten dollars is the highest annual wage a letter carrier or postal clerk can earn and this only after many years of service.

Thanking you for your past support, I remain,

Sincerely yours,

OTHO DIXON.

Agricultural Trade Development and Assistance Act of 1954

SPEECH

OF

HON. HAROLD D. COOLEY

OF NORTH CAROLINA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 4, 1957

The House in Committee of the Whole House on the State of the Union had under consideration the bill (H. R. 6974) to extend the Agricultural Trade Development and Assistance Act of 1954, and for other purposes.

The CHAIRMAN. Does the gentleman from North Carolina [Mr. COOLEY] desire to be heard?

Mr. COOLEY. Yes, Mr. Chairman; I do want to be heard very briefly.

Mr. Chairman, I think the Chair is aware of the fact that this legislation was originally reported by the House Committee on Agriculture. It came before the House some time in June or July of 1954. On July 10, 1954, it became a law. The bill is not in any sense of the word an appropriation bill. The original bill only authorized the President of the United States to negotiate certain contracts—sale contracts, if you please, under which we sought to sell or to barter or to give away these tremendous agricultural surpluses. The bill we now have before us extends that law

and only increases the limitation. You cannot call it an appropriation. It merely changes one limitation from \$3 billion to \$4 billion and another from \$500 million to \$800 million, limitations on the President's authority under this act. It authorizes the President to negotiate in a certain fashion and with reference to certain uses, the ultimate aim being two-fold. First, to rid ourselves of these surplus commodities, and second, to improve the internal economies of other countries, friendly nations with which we are dealing. It does not amount to any appropriation at all, and I submit that the point of order should be overruled. But, before concluding, I would like to say that when I have concluded, I intend to move that the Committee do rise for the one purpose, and that is to permit our committee to go before the Committee on Rules in the hope that we can obtain a rule waiving points of order. Assuming that we do secure a rule waiving points of order, the point of order raised by the gentleman from New York will prove to be only dilatory and will delay final action on the pending bill.

Mr. ROONEY. Mr. Chairman, a point of order. I do not believe the distinguished gentleman from North Carolina has the right at this time, in arguing a point of order, to refer to the gentleman from New York in the fashion that he does.

Mr. COOLEY. I am arguing the parliamentary situation. If it pleases the Chair, I certainly do not mean to reflect upon the gentleman from New York. The gentleman from New York has a perfect right to raise the point of order that he has. I am a little bit apprehensive that the point of order may be sustained, if the Chair is called upon to rule on it. But, I think it would be very unfortunate for us to delay final action on the bill, and in the circumstances we have no other alternative other than to move that the Committee do now rise, and so, Mr. Chairman, I make that motion.

Military Air Transport Service

EXTENSION OF REMARKS

OF

HON. GEORGE H. MAHON

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 22, 1957

Mr. MAHON. Mr. Speaker, on Wednesday, May 29, in connection with my remarks in the body of the RECORD, I inserted a statement in regard to the Military Air Transport Service. For some reason or other, the Government Printing Office failed to print my references to MATS in the May 29 RECORD. I am told that in the permanent copy of the RECORD proper corrections will be made and my statement will appear. Having received unanimous consent to do so, I wish to place in the RECORD at this time the statement which was omitted from the RECORD of the proceedings of May 29.

MILITARY AIR TRANSPORT SERVICE

Mr. Chairman, several hundred pages of the hearings were devoted to a consideration of the Military Air Transport Service, better known as MATS. The civil air carriers want to get a proper proportion of the business of the Department of Defense. For this attitude the civil air carriers are to be commended. This is a free-enterprise country, and we like to see free enterprise carry the load in the defense program to the extent that such a course may be proper and practical and in keeping with the best interests of national defense.

MATS is a terrifically big organization. There must be no disposition toward empire building. That course must be repelled, and the MATS program must not be permitted to mushroom beyond proper limits.

The committee has discussed all of the major problems involving MATS with the Secretary of the Air Force and with the big and little commercial air carriers of the Nation. I think our studies and investigations have been helpful. I would like to serve notice on the Department of Defense that the committee expects to continue to keep the MATS program under close observation with the hope that commercial air carriers can receive as much consideration as may be desirable in the transportation of personnel and cargo. We realize that MATS must be a large organization by reason of requirements which would be instantaneous in the event of war, but we do not want this program to get out of hand.

Last year we put quite a statement in the committee report on the defense bill in regard to MATS. We did not think it necessary to repeat the language in the report this year, but our concern and interest in this field have not diminished. I trust that the commercial air carriers and military officials will be able to work out an arrangement which will be reasonably fair to business, the Department of Defense, and the taxpayer.

Resolution Urging Grants of Money to Flood-Stricken Areas

EXTENSION OF REMARKS

OF

HON. JOHN JARMAN

OF OKLAHOMA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 5, 1957

Mr. JARMAN. Mr. Speaker, under leave to extend my remarks in the CONGRESSIONAL RECORD, I should like to include enrolled house concurrent resolution 550, which was adopted by the Oklahoma State House of Representatives of the 26th Legislature on May 22, 1957, and by the Oklahoma State Senate of the 26th Legislature on May 23, 1957:

Enrolled House Concurrent Resolution 550

Concurrent resolution memorializing Congress to make direct grants of money to heads of flood-stricken city and rural households for the repair and refurnishing of flood-damaged homes; further urging that farmers be granted the right to pasture livestock on lands set aside by the soil bank wherever other pasturelands have been made unsuitable by floodwaters

Whereas recent unprecedented rains have adversely affected large areas of the State of Oklahoma by causing heavy flooding of creeks and rivers to the detriment of the inhabitants of these areas; and

Whereas such floods have resulted in over \$25 million worth of damages to property,

Digest of CONGRESSIONAL PROCEEDINGS

OF INTEREST TO THE DEPARTMENT OF AGRICULTURE

OFFICE OF BUDGET AND FINANCE
(For Department Staff Only)

Issued June 7, 1957
For actions of June 6, 1957
85th-1st, No. 97

CONTENTS

Acreage allotments.....37	Feed grains.....41	Property.....45
Adjournment.....23	Fiscal procedures.....10	Public debt.....12
Agricultural	Flood control.....19	Public Law 480.....1,8,17
Appropriations.....22	Food distribution.....7	Reclamation.....15,42
Appropriations..14,22,44,47	Foreign aid.....8,17	Small business.....5
Area development.....20	Forestry.....40	Social security.....34
Budget.....27	Holiday.....43	Soil bank.....28
Buildings.....9	Imports.....46	Soil conservation.....24
Cooperatives.....21,32	Information.....33	Statehood.....30
Cotton.....32	Labor, farm.....33	Station transfers.....11
Dairy marketing.....35	Lands.....6	Sugar beets.....21,35
Depressed areas.....7	Legislative program....22	Surplus disposal.....1
Education.....3	Loans.....12,18	Trade, foreign.....1,31
Electrification.....21,36	Lobbying.....21	Transportation.....13,25
Extension work.....2	Milk producers.....21	Wheat quotas.....39
Farm Bureau.....21	Monetary policies.....18	Water.....16,29
Farm program.....26	Personnel.....4,21,38	

HIGHLIGHTS: Sen. Johnson announced Senate would consider Agricultural appropriation bill Tues., June 11. Senate received proposed Budget Bureau bill for greater coordination of Federal loan programs and fiscal and credit policies. Sen. Capehart inserted Asst. Secretary Butz' Vermont speech. Rep. Breeding introduced and discussed bill to modify wheat quota law.

HOUSE

1. FOREIGN TRADE; SURPLUS DISPOSAL. The Rules Committee formally reported an open rule waiving points of order on H.R. 6974, to extend the Agricultural Trade Development and Assistance Act of 1954 (Public Law 480) for one year. p. 7573
2. EXTENSION WORK. Rep. Natcher paid tribute to the work of the 4-H Clubs in Ky. p. 7574
3. EDUCATION. Received the State Department semiannual report on the International Educational Exchange Program. p. 7602
4. PERSONNEL. The Post Office and Civil Service Committee reported with amendment H.R. 3048, relative to the charging of interest on deposits in the civil service retirement fund during certain periods of separation from the service (H. Rept. 540). p. 7603
5. SMALL BUSINESS. The Banking and Currency Committee ordered reported H.R. 7963, to extend the Small Business Act (a clean bill is to be introduced). p. D498
6. PUBLIC LANDS. Received an Ore. Legislature memorial urging legislation to finance and carry out the homesteading of the lands in the Klamath Drainage District. p. 7603

7. DEPRESSED AREAS. This Office has received copies of a House Banking and Currency Committee committee print, "Federal Assistance to Labor Surplus Areas," which are available for lending purposes only. This is a report prepared by the Legislative Reference Service of the Library of Congress and represents an analysis and summary of the major Federal programs to aid labor surplus areas, including the food distribution program of this Department.

8. FOREIGN AID. This office has received copies of H. Rept. 531, the Report of the Special Study Mission to Europe on Policy Toward the Satellite Nations, of the House Committee on Foreign Affairs, which includes comment on Polish agriculture and cotton textiles, and on Yugoslavia's use of Public Law 480 funds.

SENATE

9. BUILDINGS. Passed without amendment S. 1535, to authorize the General Services Administrator to make contracts for cleaning and custodial services for periods up to 5 years. pp. 7555-6

10. FISCAL PROCEDURES. Passed without amendment S. 1799, to facilitate the accounting procedures in the payment of Government checks. pp. 7556-7

11. STATION TRANSFERS. Passed as reported S. 1408, to authorize payment for the transportation of house trailers in the U.S. or Alaska, or between the U.S. and Alaska, in connection with station transfers of Federal employees. p. 7557

12. LOANS. Received from the Budget Bureau a proposed bill to base the interest rates for loans on the current interest on the public debt paid by the Treasury. p. 7531

13. TRANSPORTATION. The Interstate and Foreign Commerce Committee reported with amendment S. 939, to make Federal freight rate contracts binding (S. Rept. 410). p. 7532

14. APPROPRIATIONS. The Appropriations Committee reported with amendments H.R. 6500, the D.C. appropriation bill. (S. Rept. 409.) p. 7532

15. RECLAMATION. Sen. Watkins inserted an article on the Utah State Univ. course on irrigation problems and practices conducted for foreign students each summer for the past 5 years. p. 7537

16. WATER RESOURCES. Sen. Murray criticized the President for not meeting with him and other Pacific Northwest Senators, and inserted two articles, on the Benbrook Reservoir land acquisition question involving Sid Richardson, and on the President's relations with Congressmen. p. 7539

17. FOREIGN AID. Sen. Wiley inserted a speech by Harvey Williams, president of the Philco International Corp., in which he urged that Public Law 480 funds be used for loans to private investors abroad as the basis for a non-military foreign economic aid program. pp. 7539-43

18. MONETARY POLICIES; FARM LOANS. Sen. Bush inserted an editorial on the management of the public debt, and insisted that responsibility for financial management of the money market should be recognized to lie with the Federal Reserve Board. p. 7544

Sens. Gore and Long discussed the rise in interest rates and stated that a 1% increase in farm interest rates cuts farm income 2½%. pp. 7551-2

CONSIDERATION OF H. R. 6974

JUNE 6, 1957.—Referred to the House Calendar and ordered to be printed

Mr. MADDEN, from the Committee on Rules submitted the following

REPORT

[To accompany H. Res. 274]

The Committee on Rules, having had under consideration House Resolution 274, report the same to the House with the recommendation that the resolution do pass.



85TH CONGRESS
1ST SESSION

H. RES. 274

[Report No. 538]

IN THE HOUSE OF REPRESENTATIVES

JUNE 6, 1957

Mr. MADDEN, from the Committee on Rules, reported the following resolution;
which was referred to the House Calendar and ordered to be printed

RESOLUTION

- 1 *Resolved*, That during the consideration of the bill
2 (H. R. 6974) to extend the Agricultural Trade Develop-
3 ment and Assistance Act of 1954, and for other purposes,
4 all points of order against the bill are hereby waived.

V

House Calendar No. 73

85TH CONGRESS
1ST SESSION

H. RES. 274

[Report No. 538]

RESOLUTION

Providing for the consideration of H. R. 6974, a bill to extend the Agricultural Trade Development and Assistance Act of 1954, and for other purposes.

By Mr. MADDEN

JUNE 6, 1957

Referred to the House Calendar and ordered to be printed

House of Representatives

THURSDAY, JUNE 6, 1957

The House met at 12 o'clock noon.

The Chaplain, Rev. Bernard Braskamp, D. D., offered the following prayer:

Almighty God, we call Thee Father for Thou art no respecter of persons. All are the children of Thy household and the sons and daughters of Thy love and care.

We thank Thee for our beloved country which affords men of every color and creed, tongue and tradition, the opportunity, the privilege, and the joy of living and laboring together in the spirit of mutual respect and mutual confidence.

Show us how, as fellow citizens, under the protection of the Stars and Stripes, we may develop our capacities to live a happy and helpful life.

Grant that in seeking to find the righteous and just solution to the problems of human relationships may we always be charitable in our attitude toward all who may have differing convictions and points of view.

Help us to hasten the coming of that golden age of brotherhood when the strong shall bear the burdens of the weak and righteousness and peace shall cover the earth as the waters cover the sea.

Hear us in the name of the Prince of Peace. Amen.

THE JOURNAL

The Journal of the proceedings of yesterday was read and approved.

MESSAGE FROM THE SENATE

A message from the Senate by Mr. McBride, one of its clerks, announced that the Senate had passed without amendment bills of the House of the following titles:

H. R. 790. An act to amend the Legislative Appropriation Act, 1955, with reference to official office expenses of Members of Congress;

H. R. 2493. An act to authorize the Secretary of the Interior to permit the construction of a bridge and road across Chinco-teague National Wildlife Refuge, and for other purposes;

H. R. 4136. An act to extend the period within which Export-Import Bank of Washington may make loans;

H. R. 5110. An act to amend the Federal Property and Administrative Services Act of 1949, as amended, and for other purposes; and

H. R. 7234. An act to fix the responsibilities of certifying officers and disbursing officers of the Library of Congress.

The message also announced that the Senate had passed bills and a concurrent resolution of the following titles, in which the concurrence of the House is requested:

S. 434. An act to provide for improved methods of stating budget estimates and

estimates for deficiency and supplemental appropriations;

S. 695. An act providing for the revision and printing of a compilation of Federal laws relating to the regulation of carriers subject to the Interstate Commerce Act;

S. 806. An act to authorize the Administrator of General Services to quitclaim all interest of the United States in and to a certain parcel of land in Indiana to the board of trustees for the Vincennes University, Vincennes, Ind.;

S. 1027. An act to authorize the Secretary of Commerce to prescribe seals for bureaus and offices of the Department of Commerce, and for other purposes;

S. 1366. An act to amend the act entitled "An act to authorize the construction, protection, operation, and maintenance of public airports in the Territory of Alaska," as amended;

S. 1791. An act to further amend the Reorganization Act of 1949, as amended, so that such act will apply to reorganization plans transmitted to the Congress at any time before June 1, 1959;

S. 1941. An act to authorize the payment by the Bureau of Public Roads of transportation and substance costs to temporary employees on direct Federal highway projects; and

S. Con. Res. 30. Concurrent resolution to print a compilation of studies and reports on the foreign aid program.

CIVIL RIGHTS ACT OF 1957

Mr. COLMER. Mr. Speaker, I make the point of order that a quorum is not present.

The SPEAKER. The Chair understood that the gentleman from New York wanted to propound a unanimous consent request.

Mr. COLMER. Mr. Speaker, I withhold my point of order until the gentleman has made his unanimous-consent request.

Mr. CELLER. Mr. Speaker, I ask unanimous consent that when the House adjourns on Friday, tomorrow, it stand adjourned until Monday next; that instead of having 4 days' general debate on the bill H. R. 6127 the debate be limited to 3 days, that we will then start reading the bill under the 5-minute rule on Tuesday; that when the House adjourns on Tuesday evening it stand adjourned until Thursday. The House, therefore, will be in recess on Wednesday in order to enable Members of the House who wish to do so to see the maneuvers off Portsmouth. On Thursday the Committee of the Whole will then resume reading of the bill under the 5-minute rule until conclusion of consideration of that bill.

The SPEAKER. Is there objection to the request of the gentleman from New York [Mr. CELLER]?

Mr. MARTIN. Mr. Speaker, reserving the right to object, the gentleman has covered the matter pretty fully, but does

the gentleman specify when we shall vote on the measure itself?

Mr. CELLER. Well, I have no way of determining that.

Mr. MARTIN. Well, why not make it all-embrasive, then, and say that on Thursday of next week we will vote.

Mr. CELLER. Well, we will continue the reading of the bill on Thursday so that we may conclude on Thursday. I think there is evidence made manifest that it is the desire to conclude on Thursday, but I do not think it would be possible to get an ironclad agreement on it.

Mr. MARTIN. The ironclad agreement is to give you a day off on Wednesday, but probably very few of the Members of the House will attend the maneuvers.

Mr. CELLER. Well, I am making the request. I thought we had received the approval of those interested on your side, and those on this side are ready to concur. I do hope the gentleman will not object to the unanimous consent request.

Mr. MARTIN. Well, I, of course, knew what the request was going to be, but I really think we have got to commence and do some work if we are ever going to get through this year.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

AGRICULTURAL TRADE DEVELOPMENT AND ASSISTANCE ACT OF 1954

Mr. MADDEN, from the Committee on Rules, reported the following privileged resolution (H. Res. 274, Rept. No. 538), which was referred to the House Calendar and ordered to be printed:

Resolved, That during the consideration of the bill (H. R. 6974) to extend the Agricultural Trade Development and Assistance Act of 1954, and for other purposes, all points of order against the bill are hereby waived.

ONE HUNDRED TWENTY-EIGHTH ANNIVERSARY OF THE BROOKLYN SUNDAY SCHOOL UNION

(Mr. KEOGH asked and was given permission to extend his remarks at this point in the RECORD.)

Mr. KEOGH. Mr. Speaker, today a solemn and inspiring event is taking place in Brooklyn. In every section of the borough there will be marching Sunday school children with their adult leaders, officers, and teachers in observance of the 128th anniversary of the Brooklyn Sunday School Union.

In 1829, there were four churches participating in the first parade. Today,

there will be 26 divisions representing the Bible schools of over 450 Protestant churches in Brooklyn. Special floats have been entered centering on the theme "Christ, the Prince of Peace," and in some divisions prizes will be offered for the best interpretation of the theme. All of the marchers will wear parade shoulder bands with the theme inscribed.

Mr. William A. Gatehouse, president of the Brooklyn Sunday School Union, chief marshal of the 1957 parade, and a trustee of the Andrews Methodist Church of Cypress Hills, has predicted that over 120,000 will be marching in this great spiritual undertaking.

Today's event may best be described in the words of the Brooklyn division of the Protestant Council:

More than a mere parade, anniversary day is a living symbol of a community's faith in religious values, and it might very well be called a "children's crusade in modern dress."

4-H CLUBS IN KENTUCKY CONTRIBUTE TO GOOD CITIZENSHIP

(Mr. NATCHER asked and was given permission to extend his remarks at this point in the RECORD.)

Mr. NATCHER. Mr. Speaker, the contributions made by the members of our 4-H Clubs in Kentucky, and throughout America, have been of tremendous value, not only in connection with agriculture and home economics, but in improving community living by way of efforts toward the betterment of schools and churches in respective localities. When we consider that the 4-H Club movement was only started at the turn of this century, while cooperative extension work in agriculture and home economics was only provided for by the Congress in 1914, we can understand the remarkable strides that can be attributed to these young people.

An example of outstanding 4-H Club work can well be illustrated by the achievements of two of the members from the Second Congressional District of Kentucky—Helen Stinnett, of Hopkins County, and James Smith, from my home county of Warren. This young lady and young gentleman are 2 of the 4 holders of this year's top award in 4-H Club work in Kentucky who will attend the 27th National 4-H Conference to be held in Washington, D. C., June 15 to June 21. They have also won trips to the National 4-H Club Congress in Chicago for superior project work. Miss Stinnett, 17 years of age, and State records champion, has completed about 50 projects in home economics, leadership, electricity, dairying, gardening, and food preservation. In order to interest young people, she has made more than 50 talks on 4-H Club work. Mr. Smith, 18 years of age, and State dairy winner, started with two Guernsey heifers in 1949. He now has 21 heifers, 7 of which are producing. He has won honors in exhibiting, showmanship, and judging of animals. Harold Smith has been a junior leader and five times was president of his club.

The accomplishments of Helen Stinnett and Harold Smith clearly demonstrate the value of 4-H Club training. The activities engaged in by these pub-

lic-spirited youths of today can but insure character development and good citizenship. They will be our leaders of tomorrow, and to them we can look for advancement in agriculture, improvement in home conditions, as well as to strengthening the forces of right and justice in our Nation. It is not only upon material resources that the United States of America should depend, but also upon human resources. I am convinced that the boys and girls connected with the 4-H Club program will be capable and ready to assume responsibilities of leadership in the years to come.

SWEDEN'S CONSTITUTION AND FLAG DAY

(Mr. O'HARA of Illinois asked and was given permission to extend his remarks at this point in the RECORD.)

Mr. O'HARA of Illinois. Mr. Speaker, today here in the House of Representatives of the Congress of the United States we pause in our deliberations to note that this is Sweden's Constitution and Flag Day, and on this glad anniversary occasion our thoughts abide with the proud and friendly people of the Scandinavian land whose sons and daughters from earliest days have contributed so mightily to the building of our United States. I am happy that in the district that I have the honor to represent are many men and women of Swedish blood. In the professions and the trades, in the activities of business, in religion, in education, and in the arts, in cultural and civic participation, they have been pillars in upholding the highest standards of personal deportment and citizen responsibility. I would feel remiss in my duty as their representative if I permitted the 148th anniversary of the adoption of the Swedish Constitution to pass unnoticed.

Although Sweden's Constitution and Flag Day dates from 1809, this date is a comparatively recent one in Sweden's renowned history. Various clauses in the democratic constitution which was adopted on June 6, 1809, bespeak the character of that admirable country and indicate the antiquity of the standards of happiness and independence, of justice and truth which it sets forth. Article 114 declares that:

The ancient privileges, advantages, rights, and liberties of the estates of the kingdom shall remain in force.

Nor are these principles, which were promulgated "with deepest emotion and loving participation in the fortunes of the people," as the preamble states, glorified on paper only. In actuality Sweden has typified for many generations an ideal among nations. All the people take part in a truly democratic life, a representative government, a society concerned with the welfare of the nation as a whole and as composed of individuals, each with his own necessity for social security, for good housing, for recreation, for education, for culture, for the comforts of life, and the attributes of better living.

Sweden is one of the few countries of the world where the national wealth is fairly evenly distributed. The national savings in the banks compare very favorably with those of other countries.

Swedes drink more coffee than any other people in the world. Every second person owns a bicycle; every home a radio. Yet the Swedish people are great readers too. Of the large number of books published annually in Sweden, one-third are of a literary character. The newspaper circulation in Sweden is greater per capita than anywhere else in the world. One of the oldest periodicals in the world, the official newspaper of Sweden, was founded in 1645.

We in America have been enriched both by the influence and by the very real accomplishments of her sons and daughters who have settled here. They brought with them their newspapermen, who pioneered in foreign-language newspapers. They brought their great farmers, lumberjacks, scientists, authors, educators, men of religion, and other contributors to our American civilization.

In our own State of Illinois, at Rock Island, there is today Augustana College, the oldest remaining of the many colleges and academies founded in America by the Swedish settlers.

Leaders in various fields at home and abroad, the Scandinavian people have led the world in social security and labor legislation. A Swede, Karl von Linné—or Carolus Linnaeus—led the world in botany. Among all the famous names which the thought of Sweden conjures up, perhaps that of Nobel is the best known internationally. Donor of the fortune which has furnished the Nobel prizes annually awarded in the fields of physics, chemistry, medicine, literature, and the promotion of peace, Alfred Nobel was the inventor of, among other things, dynamite. A bit wistfully—and grimly—we of the nuclear weapon age read, about 100 years later, of his hope that his invention was so frightful and so destructive that it would bring an end to war.

It is to Sweden's leadership of a constitutional nature that we in the United States owe one of our great debts of gratitude. We cherish it as a memory, too, that it was Sweden who first—and unsolicited—recognized the United States as a nation. Before the peace had been signed with England acknowledging our independence, Sweden's King had directed his Minister in Paris to call on Benjamin Franklin there to discuss the possibility of a Swedish-American treaty—which was to follow in 1783. As one author has put it, "Sweden was the first neutral nation to recognize the United States."

It is significant that Sweden, renowned especially for her freedom, her independence, her respect for individuality, and her neutrality, should have been the first to recognize us. For we have in common so many rich traditions. And it is with pleasure in her accomplishments and pride in our analogies that we salute today Sweden's flag and her constitution which reads in part:

Our and our subjects' mutual rights and obligations are so clearly laid down in the new constitution that they incorporate the Swedish nation's liberty as by law established.

CORRECTION OF VOTE

Mr. ANFUSO. Mr. Speaker, on roll-call No. 96 I am recorded as not voting. I was present and voted "aye." I ask

Digest of CONGRESSIONAL PROCEEDINGS

OF INTEREST TO THE DEPARTMENT OF AGRICULTURE

OFFICE OF BUDGET AND FINANCE
(For Department Staff Only)

Issued June 21, 1957
For actions of June 20, 1957
85th-1st, No. 107

CONTENTS

Appropriations..1,16,28,29	Forest Service.....1	Public works.....25
Audit.....18	Information.....27,29	Reclamation.....4
Contracts.....32	Insect control.....11,20	Reorganization.....9
Cotton.....14	Legislative program....13	Research.....2
Drought relief.....29	Loans.....3	Small business.....17
Electrification.....4,10	Minerals.....5,26,28,30	Soil bank.....23
Exhibits.....29	Organization.....9,19	St. Lawrence Seaway.....6
Fiscal policies.....3,8	Personnel.....21	Taxation.....10,15,33
Fisheries.....34	Prices.....31	Territories.....12
Flood control.....22	Property.....33	Trade, foreign.....14
Food stamp plan.....14	Public Law 480.....14	Water.....7
Foreign aid.....24		

HIGHLIGHTS: Senate committee reported Interior Department appropriation bill.
House debated bill to extend Public Law 480.

SENATE

1. APPROPRIATIONS. The Appropriations Committee reported with amendments H.R. 5189, Interior Department and related agencies appropriation bill for 1958 (S. Rept. 476) (p. 8803). Attached to this Digest is information regarding the Forest Service items.
2. RESEARCH. Received the report of the Commission on Increased Industrial Use of Agricultural Products (S. Doc. 45). p. 8801
3. LOANS. Sen. Bush inserted the Budget Bureau letter proposing greater coordination between Federal loan programs and the fiscal and credit policies of the Federal Government. p. 8812
4. ELECTRIFICATION; RECLAMATION. Continued debate on S. 555, to authorize a high Federal dam in Hells Canyon. pp. 8817-20, 8872-6, 8877-83
5. MINERALS. Received from the Interior Department a proposed bill on the encouragement of mineral resource development in the U.S.; to the Interior and Insular Affairs Committee: p. 8801

6. ST. LAWRENCE SEAWAY. Sen. Wiley inserted a series of articles on the progress of construction of the St. Lawrence Seaway. pp. 8304-6
7. WATER RESOURCES. Sen. Johnson urged the construction of more flood control and water conservation projects. p. 8306
Sen. Murray stated that full information of water development projects is now necessary because of the position taken by the Budget Bureau on some of them, and inserted the remarks of Sen. Kerr before the House Public Works Committee urging passage of S. Res. 148, to provide for certain information to be included in every project report made to Congress. pp. 8312-14
8. FISCAL POLICY. Sen. Bush inserted an editorial supporting Secretary of the Treasury Humphrey's defense of his fiscal policies. pp. 8310-11
9. REORGANIZATION. Sen. Bush inserted a memorandum urging passage of various Hoover Commission recommendations, from a group of private citizens. pp. 8311-12
10. ELECTRIFICATION; TAX AMORTIZATION. Sen. Capehart inserted a statement and tabulation prepared by an industrial engineer who concluded that the fast tax writeoff given to the Idaho Power Co. would not cost the Government anything, in the long run, due to increased tax receipts and other factors. pp. 8315-17
11. INSECT CONTROL. Received a La. Legislature resolution requesting Federal aid to deal with the ants and pests invading La. p. 8301
12. TERRITORIES. Received a Virgin Islands Legislature resolution urging extension of certain appropriations beyond 1956 in order to build revenue-producing public works. p. 8302
13. LEGISLATIVE PROGRAM. Sen. Johnson announced his hope that the Hells Canyon bill could be disposed of June 21, and gave notice of his intent to hold night and Saturday sessions if necessary. He stated that the Defense Department appropriation bill would be reported next week. p. 8376

HOUSE

14. FOREIGN TRADE; SURPLUS DISPOSAL. Resumed debate on H.R. 6974, to extend the Agricultural Trade Development and Assistance Act of 1954 (Public Law 430) for one year, to increase the authorization under Title I from \$3 billion to \$4 billion, and to authorize \$300 million additional under Title II for famine relief. pp. 8749-84

Agreed to a resolution waiving all points of order against the bill. (pp. 8749-55)

Agreed to the following amendments:

By Rep. Rooney, to provide that the State Department and USIA may use counterpart funds under the program only in accordance with provisions in appropriation acts (pp. 8755-73).

By Rep. Thompson, La., 95 to 25, to authorize CCC to donate certain cotton and cotton goods to charitable institutions and needy persons in the U.S. (pp. 8773-76).

Rejected the following amendments:

By Rep. Curtis, Mo., as a substitute for the amendment by Rep. Rooney, to provide that the expenditure of all counterpart funds must be subject to provisions in appropriation acts (pp. 8757-73).

By Rep. Sullivan, Mo., 39 to 128, to establish a food stamp plan for the distribution of up to \$1 billion in surplus food a year to needy persons in this country (pp. 8777-83). This amendment was first offered as an amendment to the amendment by Rep. Thompson, La., and was ruled out on a point of order by Rep. Hoeven (pp. 8774-76).

Pending when further debate on the bill was postponed was an amendment by Rep. Kelly, N. Y., to reserve to Congress the determination as to whether a nation receiving benefits under the bill is friendly to the U.S. (pp. 8783-4).

15. TAXATION. Passed with amendments H.R. 7125, the proposed Excise Tax Technical Changes Act of 1957. pp. 8740-49
16. APPROPRIATIONS. Received the conference report on H.R. 6500, the D. C. appropriation bill for 1958 (H. Rept. 592). pp. 8784-85
17. SMALL BUSINESS. The Rules Committee reported a rule for consideration of H.R. 7953, to extend the Small Business Act of 1953. p. 8786
18. ELECTRIFICATION. Received from GAO an audit report of REA. p. 8797
19. ORGANIZATION. Received from the Budget Bureau a proposed bill "to amend the Government Corporation Control Act, as amended"; to Government Operations Committee. p. 8797
20. PLANT PESTS. Received a La. Legislature memorial requesting Federal aid in exterminating "certain ants and pests." p. 8798
21. PERSONNEL. The Post Office and Civil Service Committee ordered reported S. 1521, to exempt student trainee appointees from the Civil Service provision prohibiting the employment of more than two members of a family in the classified service. p. D557

ITEMS IN APPENDIX

22. FLOOD CONTROL. Rep. Scudder spoke in favor of the Middle Creek flood-control project, Lake County, Calif. and urged restoration of \$300,000 to the public works appropriation bill for this project. p. A4901
23. SOIL BANK. Rep. Springer stated that the Senate's vote to restore the soil bank makes sense and inserted an editorial pointing out the advisability of continuing the program for the three years. p. A4903
24. FOREIGN AID. Rep. Neal suggested that the outburst of popular criticism indicates the people are demanding that each and every phase of foreign spending be analyzed. pp. A4903-4
Rep. Haley inserted an editorial suggesting that 'we grow up about this whole business of giving our hard-earned dollars away.' p. A4930
Rep. Wolverton inserted an editorial: "While the United States Helps Others: Foreign Factories We Helped Rebuild Seen Gaining Competitive Advantage." pp. A4939-40
25. PUBLIC WORKS. Speeches in the House by Rep. Sikes and Rep. Aspinall during debate on the public works appropriations bill. pp. A4906-7, A4932-3
26. MINERALS. Rep. Baring criticized the administration's long range minerals policy program. pp. A4907-8

27. INFORMATION. Several Representatives discussed the use of the words "Congress" and "Congressional" which might convey the false impression that certain publications are official publications of the U.S., specifically mentioning the Congressional Quarterly. pp. A4908-22
28. MINERALS. Extension of remarks of Rep. Collier commending action by the House in voting down funds for the tungsten program, and criticizing the submission and passage of so many supplemental appropriation bills. pp. A4934-5

HOUSE (Continued)

29. APPROPRIATIONS. H. Doc. 198 (see Digest 105) includes recommended items as follows: \$15,000,000 additional for the President's disaster relief fund "to provide sufficient reserve funds for meeting the requirements of future disasters calling for Federal assistance." \$2,200,000 (under President's Special International Program) for an exhibit of American life and industry at Moscow, Russia.

BILLS INTRODUCED

30. MINERALS. H.R. 8271, by Rep. Baring, to clarify the requirements with respect to the performance of labor imposed as a condition for the holding of mining claims on Federal lands pending the issuance of patents therefor; to Interior and Insular Affairs Committee.
H.R. 8272, by Rep. Baring, to stimulate the production of certain strategic and critical minerals; to Interior and Insular Affairs Committee.
31. PRICES. H.R. 8267, by Rep. Lane, to create an independent establishment to be known as the Consumers Protective Bureau; to Government Operations Committee.
32. CONTRACTS. H.R. 8277, by Rep. Celler, to amend the Clayton and Robinson-Patman Acts to include the sale of services by independent contractors; to Judiciary Committee.
33. PROPERTY. H.R. 8278, by Rep. King, to permit States or other duly constituted taxing authorities to subject persons to liability for payment of property taxes on property located in Federal areas within such State; to Interior and Insular Affairs Committee.
34. FISHERIES. S. 2349, by Sen. Magnuson, to facilitate the conduct of fishing operations in the Territory of Alaska, to promote the conservation of fishery resources thereof; to Interstate and Foreign Commerce Committee. Remarks of author. p. 8303

COMMITTEE HEARING ANNOUNCEMENTS:

June 21: Extension of Public Law 480, S. Agriculture. Wilderness preservation bills, H. Interior. Mutual security authorization bill, H. Foreign Affairs. Foreign aid appropriations, H. Appropriations (exec). Full House Agriculture Committee on pending bills (exec). Federal employee pay bills, H. Post Office and Civil Service (BB to testify).

Mr. RHODES of Pennsylvania. Mr. Chairman, I rise in support of H. R. 7125 for the purpose of discussing one particular section of the bill in which I am very much interested. First, I would like to commend the distinguished chairman of the Excise Tax Subcommittee, the gentleman from Rhode Island [Mr. FORAND], the able members of the subcommittee and the full committee, and their capable staff members who have worked so diligently on this complex excise tax bill.

Mr. Chairman, I refer now to the section 132 (b) of H. R. 7125 entitled "Nonprofit Swimming Facilities." This section amends section 4243 of the Internal Revenue Code of 1954 by exempting amounts paid as dues and initiation fees to neighborhood nonprofit swimming pool organizations from the 20-percent Federal excise tax on "social, athletic, or sporting clubs" under section 4241 of the code. This provision is an amended version of my bill H. R. 10113, 84th Congress, which I introduced on March 21, 1956. The bill was also sponsored in the last Congress by the gentleman from Maryland [Mr. LANKFORD] and the gentleman from Virginia [Mr. BROXHILL].

The Internal Revenue Service held that payments of dues and fees to these private nonprofit swimming pool organizations was subject to the 20-percent excise tax. It is my feeling that these groups, because of their many unique and beneficial services to the community, were not intended to be taxed within the definition of "social, athletic, or sporting clubs." The bill which I introduced was intended to grant these nonprofit groups statutory exemption from the 20-percent tax, as is now enjoyed by certain fraternal societies, orders and associations under section 4243 of the Internal Revenue Code of 1954.

Neighborhood nonprofit swimming pool associations have become increasingly popular in recent years in many parts of the country. These organizations serve many useful community purposes in providing healthful recreational outlets for our children, young people and their parents. They furnish, on a privately financed nonprofit basis, recreational facilities which many local communities have been unable to supply because of burdensome tax levels resulting from the need for new schools, sewers, streets, parking lots, and other improvements which usually take priority over recreational facilities. I am convinced that these neighborhood swimming pools can do much to lessen juvenile delinquency by providing recreational opportunities near home where children and parents alike can enjoy themselves.

Experience has shown that the 20-percent Federal excise tax is a distinct handicap in the solicitation of members and in the financing of these swimming pool projects in many areas. I feel that these projects are worth while and that an excise tax exemption would provide the needed incentive to assist many more local groups to build their own swimming pool facilities.

My original bill, as amended by the Forand subcommittee, was included in

H. R. 12298, the omnibus excise tax measure introduced last July by the gentleman from Rhode Island [Mr. FORAND]. Hearings on this omnibus bill were held last fall. Witnesses representing nonprofit swimming pool organizations testified in favor of this provision of the bill. They described to the subcommittee the objectives, recreational values, financing arrangements, and operating procedures of their groups. Many other swimming pool organizations filed statements and resolutions with the subcommittee, in support of the tax-exemption proposal. The subcommittee and full committee recommended the adoption of this provision to encourage the construction of nonprofit swimming pools throughout the country. It is my understanding that there was no opposition to this proposal in either the subcommittee or the full committee.

Meanwhile, Judge W. Calvin Chesnut, of the Federal District Court for the District of Maryland, handed down a decision on May 14, 1957, which is closely related to this section of H. R. 7125. The case involved a suit against the Government to recover the excise tax paid by a couple of initiation fees for membership in a private nonprofit neighborhood swimming pool association located in Rockville, Md. Judge Chesnut ruled that amounts paid to the nonprofit swimming pool organization are exempt from the 20-percent Federal excise tax under section 4241 of the Internal Revenue Code of 1954. He held that such groups are not, in effect, "social, athletic, or sporting clubs or organizations," and directed a refund of the tax to the plaintiffs.

Mr. Chairman, I was naturally pleased with Judge Chesnut's decision because of the relief it affords persons who have already paid the excise tax on dues and fees for membership in nonprofit swimming pool associations. It also recognizes the principle that this tax was never intended to be applied to these groups. I still feel, however, that the statutory exemption of these nonprofit swimming pool organizations should be written into law, as is provided for in H. R. 7125. This is not intended to impair in any way the right of those persons who have already paid the excise tax under section 4241 to file for refunds from the Internal Revenue Service on the basis of Judge Chesnut's decision. The language of section 132 (b) of H. R. 7125 merely reaffirms the intent of Congress that dues and fees, paid to such organizations on and after the effective date provided, shall not be subject to the 20-percent excise tax.

Mr. Chairman, it is my hope that the Government attorneys will not appeal the decision rendered by Judge Chesnut in this case. I feel that the decision is sound, equitable, and in the public interest and trust that the action of the House in adopting this statutory exemption provision for neighborhood nonprofit swimming pool organizations will make an appeal of the decision less likely.

The CHAIRMAN. Under the rule, the Committee rises.

Accordingly the Committee rose; and the Speaker having resumed the chair,

Mr. DELANEY, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee having had under consideration the bill (H. R. 7125) to make technical changes in the Federal excise-tax laws, and for other purposes, pursuant to House Resolution 270, he reported the same back to the House with sundry amendments adopted in the Committee of the Whole.

The SPEAKER. Under the rule, the previous question is ordered. Is a separate vote demanded on any amendment? If not, the Chair will put them en grosse.

The amendments were agreed to.

The bill was ordered to be engrossed and read a third time and was read the third time.

The SPEAKER. The question is on the passage of the bill.

The bill was passed.

A motion to reconsider was laid on the table.

POST OFFICE DEPARTMENT SUPPLEMENTAL APPROPRIATIONS, 1958

Mr. GARY, from the Committee on Appropriations, reported the joint resolution (H. J. Res. 379, Rept. No. 579) making supplemental appropriations for the Post Office Department for 1958, which was read a first and second time, and, with the accompanying papers, referred to the Committee of the Whole House on the State of the Union and ordered to be printed.

Mr. CANFIELD reserved all points of order on the joint resolution.

Mr. GARY. Mr. Speaker, I ask unanimous consent that it may be in order to consider this resolution on Monday next.

The SPEAKER. Is there objection to the request of the gentleman from Virginia?

There was no objection.

SUSPENSIONS IN ORDER ON MONDAY, JUNE 23

Mr. McCORMACK. Mr. Speaker, I ask unanimous consent that it may be in order for the Speaker to recognize on Monday next Members to suspend the rules on certain bills.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

AGRICULTURAL TRADE DEVELOPMENT AND ASSISTANCE ACT OF 1954

Mr. MADDEN. Mr. Speaker, by direction of the Committee on Rules I call up House Resolution No. 274 and ask for its immediate consideration.

The Clerk read as follows:

Resolved, That during the consideration of the bill (H. R. 6974) to extend the Agricultural Trade Development and Assistance Act of 1954, and for other purposes, all points of order against the bill are hereby waived.

CALL OF THE HOUSE

Mr. CURTIS of Missouri. Mr. Speaker, I make the point of order that a quorum is not present.

The SPEAKER. Evidently a quorum is not present.

Mr. McCORMACK. Mr. Speaker, I move a call of the House.

A call of the House was ordered.

The Clerk called the roll, and the following Members failed to answer to their names:

[Roll No. 117]

Ayres	Farbstein	Roberts
Bailey	Fisher	Robeson, Va.
Barden	Healey	Sadlak
Baumhart	Hillings	Scherer
Beamer	Holifield	Taylor
Blatnik	Holtzman	Teller
Blitch	Kearney	Thompson, N. J.
Bowler	Keeney	Vursell
Buckley	Krueger	Walter
Celler	LeCompte	Wharton
Coudert	McConnell	Widnall
Dawson, Ill.	McIntosh	Williams, Miss.
Devereux	Machrowicz	Wilson, Calif.
Dorn, S. C.	Murray	Zelenko
Edmondson	Powell	

The SPEAKER. On this rollcall, 385 Members have answered to their names, a quorum.

By unanimous consent, further proceedings under the call were dispensed with.

AGRICULTURAL TRADE DEVELOPMENT AND ASSISTANCE ACT OF 1954

The SPEAKER. The Chair recognizes the gentleman from Indiana [Mr. MADDEN].

Mr. McCORMACK. Mr. Speaker, will the gentleman yield?

Mr. MADDEN. I yield.

Mr. McCORMACK. Mr. Speaker, I simply want to remind the Members that at 2:30 p. m. this afternoon, a distinguished visitor to our country, the Prime Minister of Japan, will be the guest of the House. I urge all Members to keep the hour in mind so that they will be in the Chamber at 2:30 p. m.

Mr. MADDEN. Mr. Speaker, this resolution is merely a continuation of the full debate which took place last week on the bill H. R. 6794. The resolution merely calls for the waiving of all points of order on this legislation.

Mr. Speaker, I have no requests for time on this side and I yield to the gentleman from Ohio [Mr. Brown].

Mr. BROWN of Ohio. Mr. Speaker, as the gentleman from Indiana so ably explained, House Resolution 274 makes in order the further consideration of the bill, H. R. 6974, under a rule that waives all points of order against the bill. The bill, H. R. 6974, as many of you will recall, was before the House a week or 10 days ago, at which time a point of order was made against it on the ground it was an appropriation bill and had not been cleared by the Committee on Appropriations. The measure was then withdrawn from the floor and a rule was applied for, granted waiving points of order. H. R. 6974, would extend the Agricultural Trade Development and Assistance Act of 1954 and would increase from \$3 billion to \$4 billion the amount that could be expended for shipment and sale of surplus food and commodities abroad. It would also increase, in title II, the amount of money to be used for relief purposes for needy persons, both here

and abroad, from \$500 million to \$800 million.

I have requests for time on this side. Does the gentleman from Indiana have any such requests?

Mr. MADDEN. No; I do not.

Mr. BROWN of Ohio. Mr. Speaker, I yield 5 minutes to the gentleman from Missouri [Mr. CURTIS].

Mr. CURTIS of Missouri. Mr. Speaker, it has been pointed out what the issue is going to be in this particular bill. It is a rather simple one to grasp. It is a question of fiscal responsibility. As a matter of fact, as I tried to point out in the debate on this bill last week, if we do not do something about tying down these counterpart funds which will be generated in this bill in some fashion, the Congress is just going to lose complete control, as we already have, over these expenditures.

The bill as it presently will come before us in effect will bypass the Foreign Affairs Committee as far as authorization of these particular projects is concerned, it will bypass the Appropriations Committee as far as going into the details of how these moneys should be appropriated for the various items that you will find in the committee report on page 8.

Looking at these items on page 8 you will see that they are the identical type of items that come before the House under the foreign aid authorization bill and will be coming before the House in the next week or two under the foreign-aid appropriation bill. It actually makes something of a mockery of both the Foreign Affairs Committee and the Appropriations Committee in trying to get hold of and gain a grasp of what is being done in the name of the foreign aid program.

It is my understanding that an amendment will be offered which will try to tie these down to normal congressional procedure.

I want to emphasize this basic point for the Members who are on the Committee on Agriculture: This is in no sense an attempt to interfere with the disposal of these surplus agricultural products abroad. I am just as anxious as any Member of this House to see that disposal programs go forward. I think, however, the argument that was used during general debate on this bill that tying down the expenditure of counterpart funds that have been generated would interfere with the disposal program, is specious. In other words, the argument was advanced that in order to dispose of agricultural surpluses you had to make some sort of contract or understanding with the country that was going to take them, that the funds were to be used for the building of schools in that country, for example, or possibly a student exchange program, and so forth, and that if you did not have the immediate authority at that very time to go ahead and do it, it might interfere with the disposal of agricultural surpluses.

As a matter of fact, that is not so. I hope the membership will listen to what I have to say, for we are talking about an additional billion dollars, a billion dol-

lars that is going to be spent in foreign aid. I think the House and the committee have been quite concerned about this entire subject of foreign expenditures. Next week or the week following when we will have the foreign-aid appropriation bill upon the floor we are going to be wasting our breath, I submit, unless we do something about subjecting these funds that will be generated into counterpart funds to the same type of control that we presently have over the normal expenditures of our Federal funds.

Incidentally, in a recent hearing before our Joint Economic Committee Mr. Brundage, the Director of the Bureau of the Budget, and the Secretary of the Treasury, Mr. Humphrey, appeared before us. I asked them the question: "What control does the Bureau of the Budget have over these counterpart funds that are generated through the disposal of these agricultural surpluses?" And he said in effect: "While it does not come up under our normal budgeting processes, we do pay some attention to it."

I suggested at that time to him that it ought to come in under the regular budgetary control.

I asked the Secretary of the Treasury in the reporting and in the estimates of expenditures of our Federal funds whether or not the Treasury Department listed the expenditures of counterpart funds, and he said: "No, it is not listed." He said in effect: "We do not have the same control over it because some of these funds are deposited in foreign countries in banks designated. But I say in some instances, though, some funds are deposited in banks not designated by the Treasury Department." This is a real serious question of fiscal responsibility and it is something that I hope the House will pay serious attention to. In my judgment, unless we do pay this attention, I again say that we will be just wasting our breath in the coming weeks when we start discussing the details of the foreign-aid appropriation bill.

Mr. ALGER. Mr. Speaker, will the gentleman yield?

Mr. CURTIS of Missouri. I yield to the gentleman from Texas.

Mr. ALGER. I would like to commend the gentleman and to associate myself with his remarks.

Mr. CURTIS of Missouri. I thank the gentleman.

Mr. BROWN of Ohio. Mr. Speaker, I yield 5 minutes to the gentleman from Ohio [Mr. Bow].

(Mr. BOW asked and was given permission to revise and extend his remarks.)

Mr. BOW. Mr. Speaker, I am opposed to this rule but certainly not opposed to the principle contained in the legislation which will relieve us of our surplus farm products. I think the purpose of the bill is excellent, I think it can be used, but, certainly, to bring in a rule now to prevent the points of order that were raised when the bill was before us seems to me not the way to legislate.

You will note on page 8 of the report—we discussed this during general debate

before—that here are funds for the International Exchange Program of \$17 million. Just a few days ago this House passed the regular appropriations bill and we granted the exchange program, as I recall it, something over \$22 million. Now, within a few days comes this bill, over which the Appropriations Committee has no control, that gives them an additional \$17 million. You also have here “translation and publication” involving a million dollars plus. There again in a regular appropriation bill passed just a few days ago, this House worked its will upon the amount of money that should be used for this purpose. The House reduced the budget request from \$144 million to \$106 million, then in conference it was cut down further. So the Congress has worked its will. But here under this pending bill, with no control whatsoever by the Appropriations Committee, these additional funds can be allocated to the various agencies. There is another one for information and education, \$7,400,000.

Mr. ROONEY. Mr. Speaker, will the distinguished gentleman yield?

Mr. BOW. I yield to the gentleman from New York.

Mr. ROONEY. I should like to inform the distinguished gentleman from Ohio and the Members of the House with regard to the very matters that the distinguished gentleman from Ohio is now discussing that I have prepared an amendment which is acceptable to the Chairman and the Committee on Agriculture, requiring the United States Information Agency and the Department of State to come before the Appropriations Committees of both bodies and justify their requests for the expenditure of Public Law 480 funds.

Mr. BOW. I will say to the distinguished gentleman from New York, who is chairman of the subcommittee, that under this bill and the report thereto a house for the attaché of the Agriculture Department could be built. Does the gentleman's amendment cover that, so that the committee will be consulted with reference to this housing abroad?

Mr. ROONEY. The amendment I propose will not cover exactly that. On that proposition I offered an amendment to this very bill on June 4 last which was defeated by a division vote of 103 to 45. I did my best. Now, I am trying to salvage whatever I can for the Congress and taxpayers out of the morass.

Mr. BOW. I should like to say to the House here we have a bill with all of these funds where attaché housing abroad can be built with these funds. We do not know what kind of housing they are going to build. It may outdo the Ambassador. All of these foreign building operations are controlled, and we appropriate each year a certain amount for foreign buildings.

Mr. ROONEY. I am confident that no Government agency, including the Department of Agriculture, would attempt to start a program with regard to housing such as was mentioned in the report of the committee on the pending bill after reading the debate in connection with this bill. I would be utterly amazed

if anyone would have the audacity to go ahead with such a program.

Mr. BOW. I will say to the gentleman that is true, and I am surprised here to see an amount of over a million dollars that can be used for that purpose without any control. We do not know what these funds are going to be used for.

On this matter of housing and the making of these contracts, and I will use foreign buildings as an example, in our appropriations we allowed \$18 million of foreign currencies for these buildings abroad. Those currencies have been generated by agreements such as these. The control of the use of the funds does not affect in any manner the making of the agreements. I think there was confusion here several weeks ago that by having this control by the Committee on Appropriations we were attempting to control the type of contracts that could be made with these countries. That is not the fact. The Appropriations Committee would not in any way affect the contracts that could be made for the disposal of this property. The Appropriations Committee in all of these other instances is concerned only with the manner in which the counterpart funds or the foreign currencies are used.

Mr. COOLEY. Mr. Speaker, will the gentleman yield?

Mr. BOW. I yield to the gentleman from North Carolina.

Mr. COOLEY. I just wanted to ask the gentleman if he does not realize that the President of the United States is charged with the responsibility of carrying out the authorizations in existing law. Last week we referred to this bill as some sort of an appropriation bill. Actually, it is not an appropriation bill at all. I think the gentleman is apprehensive about something that is not at all likely to happen.

Mr. BOW. If the gentleman did not feel it was an appropriation bill, why did the gentleman ask that the Committee rise?

Mr. COOLEY. I made it perfectly clear at the time that I had every indication to believe that the Parliamentarian and the Chair would at that time have sustained the point of order, but I still maintain that the Parliamentarian was wrong in his views. This is not an appropriation bill, and in my own time I will give the House the benefit of certain information regarding the manner in which these transactions are finally consummated. I did say also that the language we used in the bill with reference to the possible building of some houses or buying of some houses for our attachés was probably ill advised. We put it in the report because it is only an indication by the committee of some advantageous use that the money could be applied to.

Mr. BOW. I say to the gentleman that that is the one concern that some of us had; that there may be other ill advised uses, not by the Department of Agriculture but perhaps other departments. May I ask the gentleman who will control these funds and determine where they will be put?

Mr. COOLEY. The President of the United States, in the first instance; the

Bureau of the Budget has its say-so about it; the Secretary of Agriculture to whom certain authority has been delegated by the President would also have some authority in the matter; the Secretary of State.

Mr. BOW. May I ask this: If the Bureau of the Budget is going to have some authority in this matter, what objection can the gentleman have to the Committee on Appropriations of the House having control of these funds as they do in all other cases where these programs are made and these funds are used? What is the objection?

Mr. COOLEY. I have broad objections to it. It is incompatible with the very genesis of the act itself. The act itself is not an appropriation bill, never has been, and never will be. It authorizes your President and mine to exercise certain authority granted him.

Mr. SCHENCK. Mr. Speaker, will the gentleman yield?

Mr. BOW. I yield to the gentleman from Ohio.

Mr. SCHENCK. Mr. Speaker, I am very much in favor of this type of legislation for the disposal of surplus food and also to help our friends. At the same time I want to associate myself very clearly with the gentleman from Ohio [Mr. Bow] in that these counterpart funds should be completely and carefully and fully controlled, as the gentleman has suggested.

Mr. BOW. I thank the gentleman.

Mr. BROWN of Ohio. Mr. Speaker, I yield 5 minutes to the gentleman from Illinois [Mr. SPRINGER].

Mr. SPRINGER. Mr. Speaker, when people talk about this bill and about controlling funds, they are talking, apparently, about an appropriation. That is not the purpose of this act. The purpose of this act is to sell produce and not get the proceeds of those funds and put them in the hands of the Committee on Appropriations. It would not be possible to initiate these agreements if that is what you intend to do.

Those who are for a trade program to sell agricultural products, they had better be on one side, and those who are for making this an appropriation bill should get on the other so that there will be no doubt about where you stand.

I want to say that the purpose of this act, when we first drew it, was for the sale of agricultural produce, and this bill was drawn consistent with that purpose in mind. I have lived with this thing from the time it was first initiated, and I think I know something about the purposes of the act. But, if you are going to put an amendment on here to put these counterpart funds under the control of the Committee on Appropriations, you might just as well repeal this law. You cannot start out, if you have had any experience with or talked to any of these countries about purchasing agricultural products with that kind of thought in mind. They are not interested in coming back to an Appropriations Committee to make an agreement. Many of these countries in the very beginning, may I say, have to rig their own currencies, in effect. They have to build up the volume of their currencies

on the books, so to speak, in order to take advantage of this agricultural trade program. That is what many of those countries are faced with. They are not going to do it if they have to depend upon an Appropriations Committee to say that the agreement is approved. The President of the United States cannot make contracts nor the Department of State nor the Department of Agriculture if they have to come back to the Appropriations Committee finally to get an appropriation.

Mr. Speaker, let me say this to my colleagues. I do not think there is any way by which you can take this bill and take the resulting funds therefrom and put them back in an Appropriations Committee if you are going to accomplish the purpose for which this act was set up. Those of you who are interested and really want to sell agriculture produce, I think, are going to have to take this act as it is presently written.

Mr. CURTIS of Missouri. Mr. Speaker, will the gentleman yield?

Mr. SPRINGER. I yield to the gentleman.

Mr. CURTIS of Missouri. I wish the gentleman had spent more time developing why you cannot make these contracts, because I think the gentleman has not presented an accurate picture of what transpires in negotiating for or expending counterpart funds abroad. I might say further that if that is the basic issue, why did not the Committee on Agriculture develop that point? That is the very issue that is involved here. I do not think this can possibly interfere with the orderly disposal of surplus products.

Mr. SPRINGER. That is the point upon which the gentleman and I are in disagreement. I have talked to these countries. I know how these agreements are entered into. Once you start the kind of program the gentleman mentions, you could not sell any more agricultural produce, I can assure you of that. At least I will say that it would be severely curtailed.

Mr. MORANO. Mr. Speaker, will the gentleman yield?

Mr. SPRINGER. I yield to the gentleman.

Mr. MORANO. The gentleman has made a very forceful statement with which I agree. I would like to ask the gentleman whether or not any attempt was made previously to put this under the control of the Committee on Appropriations, when this bill was before us?

Mr. SPRINGER. I will say this. I heard all the debate and I do not recall anything like that that was brought up the other day. I will not say that it was not, but I just do not recall it, but I am pretty sure that it was not.

Mr. MORANO. If the argument that is made lies against it today, it should have been valid when we had the matter up before.

Mr. SPRINGER. What we are actually doing, in effect, is transferring Commodity Credit produce for the purpose of making a sale. In effect, that is what you are doing. I think it is the position of the committee and the chairman that

you do not have a genuine appropriation in this particular instance.

Mr. MORANO. In effect what the gentleman is saying is that if this amendment is tacked onto this bill, there is going to be no program for the sale of surplus agricultural products.

Mr. SPRINGER. I do not see how there could be. I have talked to these countries. I do not think they would be interested, because we have had some difficulty in selling to those countries even under the present arrangements. I know that they are not going to wait until the Appropriations Committee determines whether or not this is the kind of thing they are going to allow.

In the second place if you take the contracts back to the Appropriations Committee, they can refuse to appropriate this money and reject all these agreements.

The SPEAKER. The time of the gentleman from Illinois has expired.

Mr. DELANEY. Mr. Speaker, I yield the gentleman 3 additional minutes.

Mr. JUDD. Mr. Speaker, will the gentleman yield?

Mr. SPRINGER. I yield to the gentleman from Minnesota.

Mr. JUDD. Perhaps it might help to remind ourselves these countries do not have to buy these surplus commodities of ours. They buy them with their money. They will buy only if the currency they pay for them will be used in their country for purposes they approve. Under the arrangement that is proposed, we would take the money that they paid voluntarily to buy our goods and we would determine just how their currency was to be spent in their country. These countries simply will not buy as much of our surpluses under those circumstances. A country is willing to buy, for example, \$10 million worth of surplus commodities, with the understanding, in the negotiations, that \$2 million of the currency paid—rupees or yen, or whatever it is—is to be used for a certain purpose in that country; \$4 million of it is to be used for certain other purposes in their country, and so forth. If the executive branch of our country cannot make an agreement with them, so that they know in advance what their currency is to be used for, even though we own it, having gotten it in exchange for our commodities, they are not going to buy our goods; that is all there is to it.

Mr. SPRINGER. May I say that the gentleman from Minnesota [Mr. JUDD] has hit it. We approach these countries, let me say that. They are not approaching us. We are approaching them in an attempt to sell. This is a part of the agreement entered into by the President, that these funds shall be spent in the manner prescribed. That is the principal inducement to the country to purchase those goods.

Let me say this to those gentlemen who are so interested in there being an appropriation. If you want later on under foreign aid to come in here and say that we are going to take into consideration what has been done under Public Law 480 and therefore we feel that foreign aid in other fields having to do with

nonmilitary assistance should be reduced, that is your business. Maybe it ought to be reduced in the light of what Public Law 480 is doing. That is your own business, and maybe there is some justification for that, but do not interfere with this program which is working well now. If you feel there must be a reduction and you want to control it, then do it through the foreign-aid field, where you have the appropriation entirely under your control, and not cripple this program.

Mr. COOLEY. Mr. Speaker, will the gentleman yield?

Mr. SPRINGER. I yield to the gentleman from North Carolina.

Mr. COOLEY. The Appropriations Committee is fully aware of what use is made of these counterpart funds. I have here in my hand a statement indicating exactly how the money has been used, and I will put it in the RECORD for the benefit of those who are not aware of it:

PUBLIC LAW 480

Title I of Public Law 480 authorizes the President to carry out a program for the sale of United States surplus agricultural commodities under agreements with friendly nations or organizations of friendly nations. In negotiating agreements, the President is required to (1) take reasonable precautions to safeguard usual United States marketings and assure that such sales will not disrupt world prices of agricultural commodities; (2) assure the use of private trade channels to the maximum extent practicable; (3) use the program to develop and expand continuous market demand abroad for agricultural commodities, with appropriate emphasis on underdeveloped and new market areas; (4) secure commitments that the commodities sold for foreign currencies will not be re-exported except with specific approval; and (5) afford any friendly nation maximum opportunity to purchase United States surplus agricultural commodities, taking into consideration the objectives of the law.

The law provides that Commodity Credit Corporation funds shall be used to finance the sales and authorizes appropriations to reimburse CCC for its costs, including the acquisition cost of price-support commodities from CCC stocks which may be shipped under the program.

The President is authorized to enter into agreements with friendly nations or organizations of nations to use foreign-currency proceeds for one or more of the following purposes: (1) Development of new markets for United States agricultural commodities; (2) purchase of strategic and critical materials for the supplemental United States stockpile; (3) procurement of military supplies for the common defense; (4) financing the purchase of goods or services for other friendly nations; (5) promotion of balanced economic development and trade; (6) payment of United States obligations abroad; (7) loans to promote economic development and multilateral trade; (8) financing international educational exchange activities; (9) financing the translation, publication, and distribution of books and periodicals abroad in an amount not in excess of \$5 million in any fiscal year; or (10) assisting United States sponsored colleges and institutions abroad.

The act generally authorizes the use of foreign currencies for these purposes without regard to section 1415 of the Supplemental Appropriation Act. Section 1415 provides that foreign currencies held by the United States may be used only as authorized in appropriation acts. However, the act

does provide that at least 10 percent of the foreign currencies and any use of the proceeds for nonmilitary grants to foreign countries are subject to section 1415 unless that requirement is waived by the President. About 20 percent of the currencies are being held subject to section 1415 and are being sold to the various United States Government agencies for appropriated dollars which are returned to the Commodity Credit Corporation. To the extent the Corporation is not reimbursed by other agencies, the act authorizes an appropriation to make payment to CCC in an amount not in excess of \$3 billion for the Corporation's investment in commodities used under the program including processing, packaging, transportation and handling costs, and for costs incurred in financing the exportation of commodities.

No transaction may be undertaken under title I after June 30, 1957, except as required to carry out agreements entered into before that time.

DELEGATION OF AUTHORITY

Executive Order 10560 delegates authority vested in the President for administration of Public Law 480. Primary responsibility for foreign currency sales is assigned the Secretary of Agriculture and to him are delegated all functions conferred upon the President by title I of the act which are not delegated elsewhere by the order. Some of these more important delegations to other departments include: Department of State—the negotiation and signing of agreements with foreign countries; Bureau of the Budget—the function of allocating and apportioning foreign currency to be used for each of the purposes authorized under the act and authority to waive the requirement that appropriated funds be used to cover grants and not less than 10 percent of the foreign currencies acquired; International Cooperation Administration—the determination of the manner in which foreign currency loans are to be made for economic development and promotion of multilateral trade.

The order also assigns to the different departments, and agencies responsibility for the use of foreign currencies acquired under title I. The most important of these include: (1) Department of Agriculture—for agricultural market development; (2) Department of Defense—for currencies used to procure military supplies for the common defense; (3) International Cooperation Administration—for currencies used in making loans to promote economic development and multilateral trade; (4) all agencies having appropriated funds which may be used in foreign activities—for use of currencies which accrue for the payment of United States obligations abroad; and (5) Department of State—for international educational exchange activities, the publication of books and periodicals, and assistance to United States schools and colleges abroad. The Treasury Department has issued regulations governing the purchase, custody, deposit, transfer, and sale of foreign currencies received under title I sales.

INTERAGENCY RELATIONSHIPS

Public Law 480 is a complex law combining different purposes, affecting many aspects of domestic and foreign economic policy and involving activities of several departments and agencies. These facts made it imperative that the administration of the program be effectively coordinated. Accordingly, by direction of the President an Interagency Committee on Agricultural Surplus Disposal has been established "to assist the agencies concerned in bringing into harmonious action consistent with the overall policy objectives of the Government, the various agricultural disposal activities vested in them by, or assigned to them pursuant to, the act." This committee is chaired by a representative of the White House and includes

as members senior officials of the Departments of Agriculture, Commerce, Treasury, and State, International Cooperation Administration, and Bureau of the Budget.

The President also asked the Secretary of Agriculture "to assure the effective coordination of day-to-day operations through appropriate interagency relationships." To achieve such coordination, the Secretary of Agriculture established a staff committee under the chairmanship of an Assistant Administrator of the Foreign Agricultural Service of the Department of Agriculture, and consisting of staff-level representatives of agencies on the Interagency Committee on Agricultural Surplus Disposal, as well as representatives of the Department of Defense, Office of Defense Mobilization, and Export-Import Bank. This Staff Committee is responsible for consideration of specific proposals for foreign-currency sales and for working out the provisions of agreements.

DEVELOPMENT AND NEGOTIATION OF AGREEMENTS

The safeguards and standards contained in the law necessitate careful planning of country programs. In many cases foreign governments have requested programs from the United States Government. However, the Department of Agriculture and other agencies of the United States Government have often developed programs and initiated informal discussions. In the initial stages, the two most important factors in the development of programs are the proposed commodity composition and foreign-currency uses. Frequently, informal discussions on these two points precede the start of formal negotiations.

Utilizing the service and experience of other agencies represented on the Interagency Staff Committee, the Department of Agriculture takes the lead in the review and final development of proposed country programs. For each country program an analysis is prepared indicating a suggested commodity composition and foreign currency use program. Also, negotiating instructions and a draft agreement are prepared. The proposed programs are submitted to the Interagency Staff Committee for review and approval. In the event of disagreement, any member has the right of appeal to the policy-level committee chaired by a representative of the White House.

After approval by the Staff Committee, formal negotiations begin. Most of the negotiations take place in foreign capitals. The United States Ambassador is responsible for such negotiations. However, in most cases a team under his direction, including the agricultural attaché and a representative of the ICA mission, conduct the negotiations leading to signing of agreements. In some instances negotiations are carried out in Washington by an interagency team headed by the Department of State with representatives of the foreign government concerned.

The agreements generally follow a standard format, and usually include (1) the value and kinds of commodities to be financed; (2) the period during which the commodities will be taken; (3) provisions to protect against transshipment of commodities to other countries without specific approval and to prevent increased shipments to unfriendly nations; (4) provisions to safeguard the usual marketings of the United States; (5) the exchange rate at which commodities will be paid for in local currency and the method by which foreign currency payments will be made to designated United States accounts; and (6) the division of the currency which will accrue among the several purposes authorized under the act.

It is apparent that the foreign governments in negotiating agreements are especially interested in the amount of currency they will obtain for uses of special interest to themselves, such as loans for economic development. They are also interested in

the exchange rate at which they will have to pay for the commodities. Finally, for some countries our provisions to protect the usual marketings of the United States often result in prolonged negotiations. There have been a few agreements where foreign governments have been prepared to sign agreements and permit the United States to utilize all foreign currency proceeds for any use authorized under the law. These have been the exception rather than the rule and have usually occurred in those countries where uses which would return dollars to the Commodity Credit Corporation are limited by the size of United States Government operations in the country. In most cases, however, the use to be made of foreign currency is the heart of the whole negotiation. Many countries are persuaded to take commodities from the United States for their own currency because they receive loans badly needed for economic development which further their general development programs. If negotiators were unable to tell them what particular use would be made of the currency, most of the countries would not sign agreements.

DOLLAR FINANCING AND FOREIGN CURRENCY PAYMENTS

After the government-to-government agreements are signed, the importing country applies to the Foreign Agricultural Service for purchase authorizations which provide for the dollar financing of the commodity sales and specify the conditions under which such financing will be made available. Public announcements are made when agreements are signed and purchase authorizations are issued. Since United States Government funds are used to finance title I sales, certain controls have been established.

The government of the importing country designates certain banks in the importing country and in the United States to participate in the program. The Commodity Credit Corporation issues letters of commitment to the designated United States bank in the amounts requested by the government of the importing country. Each letter of commitment names the designated foreign bank as well as the United States bank and constitutes a commitment by the CCC to reimburse the United States bank for payments made under letters of credit for the account of the foreign bank in connection with export sales under the purchase authorization.

The foreign importer who may be a private importer or in some cases an agency of the foreign government makes contracts with United States exporters and applies to their own designated local bank for letters of credit in favor of the United States exporter. These letters of credit are paid through designated banks in the United States holding a CCC letter of commitment which names the designated foreign bank.

The United States bank pays dollars to the United States exporter against a draft and shipping documents in the usual manner. However, instead of calling on the designated foreign bank for payment of such dollar amounts, the United States bank obtains reimbursement from the Commodity Credit Corporation.

The foreign bank then pays the value of the sale, after receiving shipping documents, by depositing local currency to the account of the United States Government rather than crediting dollars to the account of the designated United States bank. The amount of payment is determined by the amount of dollar disbursement for commodities and for transportation costs made by the designated United States bank at the rate of exchange specified in the country-to-country agreement. In general the United States is paid in foreign currency at the same rates at which the importer would purchase dollar exchange from his bank in his own currency.

Payments are made at the exchange rate in effect on the day when the dollars are disbursed by the United States bank.

Deposits of foreign currency are required promptly upon receipt of notice of each dollar disbursement. The deposits are made to the account of the United States Disbursement Officer in the Embassy who reports monthly on these accounts to the Treasury Department. Dollar disbursements are also summarized monthly by the Commodity Credit Corporation and compared with deposits reported to the Treasury. In the event of discrepancies, the Foreign Agricultural Service takes action through the Embassy to correct any shortages in deposits. In general, there is a timelag between dollar disbursements by United States banks and the deposits of foreign currency by designated foreign banks because of the time required to transmit documents to foreign banks. However, despite this lag, most foreign currency payments are being made promptly. As of March 31, 1957, dollar disbursements totaled \$1,172,000,000. On the same date the United States disbursement officers had reported to the Treasury Department deposits totaling \$1,044,000,000.

CONTROL OF FOREIGN CURRENCY

The basic decision with regard to the use of foreign currency proceeds is made during the course of the negotiation of the agreement. This is the determination of what share of the proceeds will be used for purposes of particular interest to the purchasing country, usually a development loan, and what share will be used for purposes of interest to the United States. Most sales agreements do not further specify the division of the sales proceeds beyond an indication in the agreement of which of the various purposes included in section 104 of the act the United States share may be used.

Responsibility for designating the uses of foreign currencies in greater detail has been given by the Executive order to the Director, Bureau of the Budget. He carries out this responsibility by formally allocating foreign currencies to using agencies on their request. The allocations are made for purposes authorized by section 104 of Public Law 480 and permitted by the sales agreement.

The most frequent allocation is to the Treasury for sale of sales proceeds to any agency for any purpose for which dollars have been appropriated to that agency. These allocations to Treasury are always subject to section 1415 of the Supplemental Appropriation Act of 1953. They are requested by the Fiscal Assistant Secretary of the Treasury on the basis of regular reports received from the disbursing officers in the field of deposits into the Public Law 480 collection accounts and of the status of other Treasury foreign currency accounts available for sale.

Since all agencies which need foreign currencies to carry out overseas operations are required by Treasury regulation to inquire at the Treasury concerning the availability of Government-owned foreign currencies for their purpose and are further required to use Government-owned currencies in preference to purchasing currencies in the open market with dollars, there is an effective system for insuring that available Government-owned foreign currencies do not sit idle while appropriated dollars are needlessly used to purchase additional currencies of the same kind. There is a continuing informal check between staff of the Bureau and of the Treasury with regard to status of deposits and whether they may be released for Treasury sale or are committed by the sales agreement for other purposes. In the absence of such commitments Treasury requirements for sales to the agencies are given priority over other uses in both amount and timing.

Experience has demonstrated that the allocation of sales proceeds to the ICA for de-

velopment loans is an unnecessary step. The commitment that there is to be a loan and as to amount is always explicit in the sales agreement contingent on the fulfillment of that agreement. Both the Bureau of the Budget and the ICA, so far as loans under section 104 (g) are concerned, found that the formal allocation added nothing and frequently made an unnecessary delay in the process of further programing and formalizing the loan to the country. For these reasons a modified wording was introduced into the Executive order in May 1957 which eliminates the requirement for an allocation of sales proceeds for loan purposes. This use, however, remains subject to apportionment, the procedure by which the Budget Bureau releases appropriated or other funds to an agency on a quarterly project or other agreed basis. The ICA may not draw foreign currencies from the Public Law 480 deposit account until they have been apportioned. Normally, the Bureau does not apportion sales proceeds for loan purposes until it is clear that the conditions of the sales agreement are being met and that the share of sales proceeds slated for United States use is or very soon will be available in full. Apportionments of available deposits are requested by the ICA after agreement has been reached with the borrowing country on the terms and uses of the loan.

Use of sales proceeds for the other two purposes which are generally of primary interest to the purchasing country, i. e., development grants under section 104 (e), and military assistance under section 104 (c), is also always decided at the time of the negotiation of the sales agreement. These two uses clearly raised questions of overlap with and expansion of the mutual-security program which are reviewed within the Government at that time. Since the ICA has not been willing to use mutual-security funds to purchase foreign currencies for development grants under section 104 (e), a waiver of the requirement in the law that such use be subject to 1415 has been required in each case. Such waivers have been requested and approved only twice—in the case of the 1955 sales agreement with Greece and the 1956 agreement with India—and in each case waiver was requested by the Secretary of State and issued by the Director of the Bureau of the Budget before conclusion of the sales agreement. While grants under section 104 (c) do not require a waiver, they are considered in the Bureau of the Budget, the ICA, and the Department of Defense in connection with available mutual-security funds and the needs for financial assistance to the military programs of our allies. The ICA and the Bureau of the Budget take account of funds available for the mutual-security purposes under sections 104 (c), (e), and (g) of Public Law 480 when screening subsequent mutual-security program requirements.

At the time of the consideration in the interagency staff committee of a proposed sales agreement, there is usually an informal indication from participating agencies of their anticipated needs for a share of the proceeds of the agreement for market development, section 104 (a); stockpiling, 104 (b); educational exchange, 104 (h); publication of books, 104 (i); or assistance to American-sponsored schools and community centers, 104 (j). In addition, the Department of Defense may indicate an interest in a share of the proceeds for military housing under sections 104 (f) or (c) as authorized in Public Law 166 or for a use under section 104 (c), such as a joint mapping project in Latin America, which has the effect of expanding a mutual-defense activity of a kind for which appropriated funds are available. At this stage these agency indications are informal and tentative and are subject to committee action and approval only to the extent that there is objection to any agency

request or that the sum of the request exceeds the share of proceeds available for United States use without regard to section 1415. Since the agencies have generally been moderate in their request the latter is usually not the case. Subsequently, the requesting agencies develop more explicit programs for the use of sales proceeds and submit an allocation request to the Bureau of the Budget. This request is similar in purpose and in form to a budget request and receives the same screening and analysis in the Bureau as that given the request for appropriated funds. This analysis is normally carried out by the same staff that work on the agency's dollar budget. Usually hearings are held, at which agency representatives explain and justify their request in detail.

In the case of moneys requested under section 104 (h) for the Fulbright exchange program the allocation request is normally for sufficient funds to finance a 3-year program. They are apportioned, however, on an annual basis in conjunction with the budgeting and apportionment of dollars appropriated for the program. Public Law 480 funds are requested for this purpose only in areas where proceeds from the sale of surplus war goods are no longer available.

The availability of substantial foreign currency sums for market development abroad has presented the Department of Agriculture with new opportunities and has necessitated an essentially experimental approach in this area. Since it was clear that the Congress desired to generate a new program in this area the Bureau initially allocated to the Department the sums requested by it to provide a basis for program development. Now that some experience has been developed the Department is being requested to develop a fuller program justification for additional requests and to present reasonable evidence that the proposed expenditures will, in fact, result in expanded markets for American agriculture.

While provision has been included in a number of sales agreements for the use of part of the proceeds for USIA book programs under section 104 (i) or for assistance to schools or community centers under section 104 (j), the process of collecting adequate data from the field on which to base allocation requests has proved to be a long one. There have as yet been no allocations under either of these sections.

While it is inherently difficult to relate the use of foreign currencies without regard to section 1415 to the normal budget appropriations process, the Budget Bureau has attempted to do this to the extent possible and has insisted that full information on the use of currencies be available to the Congress. A general information schedule showing the nonappropriated uses of Public Law 480 currencies during the fiscal years 1956 through 1958 is included in the budget document. In addition, several of the agencies have discussed the relationship between the use of these currencies and their dollar programs extensively during the course of appropriation hearings.

Mr. BROWN of Ohio. Mr. Speaker, I yield to the gentleman from Michigan [Mr. HOFFMAN] for a unanimous-consent request.

Mr. HOFFMAN. Mr. Speaker, I ask unanimous consent that the remarks I made on the floor yesterday that were not printed in the RECORD may be printed in the RECORD of today following the adoption of the rule.

The SPEAKER. Is there objection to the request of the gentleman from Michigan?

There was no objection.

Mr. BROWN of Ohio. Mr. Speaker, I yield 4 minutes to the gentleman from Michigan [Mr. MEADER].

Mr. MEADER. Mr. Speaker, this a very important matter. I listened with great care to the remarks made by the gentleman from Missouri [Mr. CURTIS]. I agree with him that this matter of fiscal responsibility and congressional control over public funds is a basic matter.

In many other ways the executive branch of the Government has eluded congressional control and regulations and we are losing the constitutional authority that we ought to exercise for the benefit of the people of the country.

In this connection I call attention to the report of the Hardy committee, Report No. 449, 85th Congress, filed with the House on May 15, 1957, entitled "Review of the Budget Formulation and Presentation Practices of the International Cooperation Administration."

The Hardy committee was concerned that the International Cooperation Administration in making its request for authority before the Foreign Affairs Committee and for funds before the Appropriations Committee was very vague and uncertain in the presentation and the representations of what they intended to do with the authority and the money if they were granted by Congress. That vagueness made it impossible for our Committee on International Operations to review the performance of the agency, because it had made no promise against which you could judge performance.

I call attention to the discussion of this very subject, Public Law 480, on pages 13 and 14 of the committee report. I believe that discussion, showing the lack of information given to the Foreign Affairs Committee and the Appropriations Committee with respect to the anticipated use of counterpart funds arising from Public Law 480, amply demonstrates that in this instance we in Congress have lost control over public funds. I think the House ought to consider this matter very, very seriously.

Mr. HARDY. Mr. Speaker, will the gentleman yield?

Mr. MEADER. I yield.

Mr. HARDY. It seems to me the point the gentleman is making is an unusually good point and has not been developed. Under Public Law 480, there is not any way in the world that anyone can tell how the funds have been used. Congress has no control whatever over them because the executive department is permitted to make the contracts. There is no way that anybody can tell what has been done with the money after they have spent it under the agreements. I have reviewed the breakdown that the gentleman from North Carolina proposes to put in the RECORD, but the figures do not mean anything. I defy anybody to find out for what purposes these funds are being used. They have a statement here "Loans for multilateral trade and economic development \$1,164.7 million." But there is no breakdown of that and nobody in the Congress has any breakdown for it. If you ask the

departments about it, you will not find out what has been done. The gentleman knows, I am sure, that a lot of these funds have been used to pay for host country participation in technical assistance programs. So they have taken the money generated by our agricultural commodities. There are a good many cases where these funds have been used for purposes which certainly the Congress knew nothing about, and it is very doubtful whether the Congress would approve. Actually, my own point of view is that if these funds are going to be used in this manner, then the foreign aid program ought to be reduced by the amount of these funds.

Mr. MEADER. That is exactly what we said in the report. If these funds are taken into account in setting up their program, then why is not the dollar appropriation reduced by the amount of these funds?

Mr. MADDEN. Mr. Speaker, I move the previous question.

The previous question was ordered.

The resolution was agreed to.

DEMOCRAT HARMONY MICHIGAN'S FLIGHT

Mr. HOFFMAN. Mr. Speaker, I move to strike out the last word.

Mr. Speaker, I ask unanimous consent to revise and extend my remarks and to speak out of order in an effort to compliment the Democratic Party.

The SPEAKER. Is there objection to the request of the gentleman from Michigan?

There was no objection.

Mr. HOFFMAN. Mr. Speaker, this letter from which I read is dated May 28 last. It comes to me from a very, very dear personal friend who works effectively in the congressional and other elections. He writes:

It is unfortunate for all of us that our interparty squabbles spill over into the newspapers where they are blown up into such proportions.

I might say insofar as I am concerned, I go down the middle of the road.

However, we should all work toward one particular goal and that is the election of Republicans no matter what office they are running for and no matter what their political beliefs may be. The constant bickering and fighting that goes on within the party is the one point that discourages me more than anything else.

Naturally, I have no part in that.

Let me read:

I have yet to see in the newspapers any public disagreement in the Democratic Party in the State of Michigan although I am certain they have as many divergent elements as we have. Insofar as the general public is concerned they present a solid and united front.

Mr. Speaker, opposition political unity in Michigan is due in part to the fact that the CIO and the Reuthers have taken the Democratic Party organization over. Reuther and his buddies strike with an iron and ruthless hand—and do not—will not brook opposition. Unfortunately in view of the tax plans of Governor Williams and Reuther's attitude toward business, management, and industry, all of whom he seems to hate, he and Soapy are, in a way, driving industry out of Michigan.

But the Lord, if no one else, will take care of us—will, as it were, "temper the wind to the shorn lamb."

Industry is taking a look at other States. Listen to this editorial from the Detroit Free Press of June 18—yesterday—always friendly to labor:

I read:

THE BASIC ATTRACTION—WHEN INDUSTRY LOOKS AT OHIO

We were particularly impressed by a couple of observations made by Miller Hollingsworth of the Free Press staff who has been writing a series of articles on Ohio industry. Hollingsworth has been comparing the climate for business in our sister State with that which exists in Michigan.

Discussing the expansion of Michigan's automotive industry into Ohio, Hollingsworth stated that "other industries have been really jumping in this huge State, with its fondness for big business and lenient tax policy toward the producers."

Again, referring to Ohio, Gov. C. William O'Neill, he says: "He (O'Neill) has no apologies for Ohio's soft tax policy toward big business. Certainly, he implies it will get no tougher than the present one-tenth of 1 percent of the value of a company allotted to Ohio."

Those two statements, we believe, explain rather clearly why Ohio may enjoy a competitive advantage over Michigan as far as industry is concerned.

First of all, the attitude toward business in Ohio, if these statements are valid expressions of the feeling there, is one of friendliness. Business is not only welcome. It is regarded as a partner, to be given equal consideration with other elements.

Unfortunately, that impression does not apply universally in Michigan.

The alliance between the Democratic administration in Lansing, and the big labor leadership has, in many instances, created an atmosphere of hostility against business. Politics has had a tendency to supplant sound economic principles.

There is an attitude on the part of State officialdom, derived from labor dogma, that business and industry are inherent enemies of the working people; that business should bear a disproportionate part of the tax burden regardless of the effect on jobs.

As far as industry is concerned, there is the feeling that in any controversy, labor will get the preferred treatment and industry will be held up as the villain, regardless of where the right lies or where impartial justice should be applied.

Whether oppressive taxes are the determining factor in industry expanding outside of Michigan is still a moot question, despite evidence that such is the case.

But the climate generated for political purposes, which marks industry as always bad and labor as abused, oppressed, and something to be favored first and at all costs, may have an equally important effect on discouraging growth and expansion in Michigan.

On the other point, made by Governor O'Neill, Ohio industry enjoys an advantage over Michigan by being sure where it stands.

It has what almost amounts to a guaranty that it will not be soaked with new or higher taxes by a labor-political alliance. Industry in Ohio apparently has a sense of security both for the present and the future and can plan accordingly.

Were that attempted in Michigan, we would surely hear that industry was getting preferred treatment at the expense of the workingman, the farmer, and the consumer.

Yet we can't help but wonder how the worker, the farmer, and the consumer fare in Ohio under a benign arrangement which encourages industry.

We strongly suspect they are doing as well as in Michigan—their taxes suggest they are—and, in addition, the resultant attraction of industry to their State offers new job opportunities and greater prosperity for all.

"Soapy" would tax corporations to death. Reuther would force them out of business by hiking wages and fringe benefits so high they cannot sell their products. Just why Reuther appears to hate employers so much is beyond understanding. Without them there would be no jobs—no unions.

But back to the point made by my friend—that all is harmonious in the Democratic Party in Michigan.

I call the attention of my friend and of the Republican Members of the House to the fact that at the last State Democratic convention Prentiss Brown, a former distinguished Member of this House, likewise one of the most able and efficient Members of the Senate, Michigan's one time and a long time highway commissioner, a wonderful man, had some differences with certain elements of his party. Why, over what, I cannot say, other than that he was probably right. Prentiss walked out. The Democrats do have some troubles, even in Michigan, although this gentleman does not seem to be aware of it.

Permit me to mention another instance. I recall the gentleman from the northern peninsula who was here at one time before our colleague John Bennett came down. Frank Hook, a very, very active Member on the Democratic side. He has been having trouble up in the northern peninsula with the Democratic organization. And Frank as you will remember, is, always was, a man with convictions. Now, I cannot say, I do not know why our Republican troubles always get on the front page. Certainly I do not contribute to them in any way. However when self-anointed leaders attempt to purge me out of a party to which I belong there will be some slight protest. When they kick me around all I do is yelp a little bit about their decree. I have voted with the party more often than some of Ike's advisers, that is, when I can discover just what it is they want. There is hardly a day when there is anything going on, a vote that might become controversial, that I do not go to my distinguished leader, the gentleman from Massachusetts [Mr. MARTIN], or our distinguished whip, the gentleman from Illinois [Mr. ARENDT], or the gentleman from Indiana, and ask them what the party position may be.

I noticed the other day on the Democratic side I saw the Speaker, Mr. RAYBURN, walking down on a teller vote with one group and then I saw the Democratic leader, JOHN McCORMACK, walking down with the other group. The issue was a bitter one, but they both stayed in the party, there was no demand from either that the other get out.

Now, I want to appeal to my friends on the Republican side, instead of trying to kick some of us old reactionary conservatives out every time you get an idea, why do you not do like the Democrats do? They are charitable. They just bide their time and think that some

day some of us old fellows will die off and then we will be out of the way.

It is a fact that as some of the Ike people insist, the world moves on, times change, new ideas and policies must be adopted. It is just as true that the world is round, still swings in space. The Ike boys cannot win without the other factions of the party. A faction tied to no man or group, a faction which votes the ticket on election day come head or high water.

Mr. McCORMACK. Mr. Speaker, will the gentleman yield?

Mr. HOFFMAN. Yes; I yield to the distinguished gentleman who gets a rating of 95 percent in the Quarterly as a supporter of the President. I do not know how he does it; he must be a miracle man; I do not know.

Mr. McCORMACK. The gentleman from Michigan says he confers with the Republican leader; I wonder has the gentleman got any calls from the White House directly or indirectly?

Mr. HOFFMAN. There are two questions in one. That is a lawyer's trick, getting an answer yes or no to both. Direct from the White House, from the President? The answer is, no. Why should he call me if his advisers are worth a tinker's darn and my convictions are of any interest he knows my position. His advisers know I have never failed to endeavor to help them when, as so often happens they are so unjustly attacked by a House Democratic committee. He asks do I confer; first, it depends who is on the floor. If Mr. HALLECK is on the floor and Mr. MARTIN is not I ask Mr. HALLECK. True to the procedure, if Mr. MARTIN is on the floor I ask him first. Now about factions in the majority party. When I see the Speaker leading one group up the aisle on a teller vote, Members voting yea, and the gentleman from Massachusetts [Mr. McCORMACK] leading another group down the same aisle in a nay vote on the same question it is difficult for a fellow with no more intellect than I have to figure out what is going on—just why the apparent split. But one thing I do know, that is that they have sense enough so that neither tries to kick the other out of the party.

Now, to come to the other question; what was it about? The White House.

Mr. McCORMACK. The White House.

Mr. HOFFMAN. The last time I was down there I think was about 4 years ago when the Republicans came in, and they did send word to me to come down because I happened to be chairman of the Committee on Government Operations. The gentleman and I have been on that committee for a long, long time. They called me down, and we all sat around and, after quite a long while, I asked: "What about the Committee on Government Operations?" Anything for that committee. By the way, Joe McCarthy was there. It is the last time, I guess, that either one of us was there.

So after we sat there for quite a while I said: "What have you for the Committee on Government Operations?" They said "Nothing." So I thought the conference was over. I did not wait but came on back up here on the Hill. Then someone called up from down there and

asked the office if I wasn't going to have lunch with them. The office reported that I did not know I had been invited or was expected to stay to lunch. I went down because I thought they had something for me to do. I am always willing and gratified and honored to do anything, even run errands.

If they call me up again, if I cannot go, I will ask them to send the lunch up.

Mr. COOLEY. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the further consideration of the bill (H. R. 6974) to extend the Agricultural Trade Development and Assistance Act of 1954, and for other purposes.

The motion was agreed to.

Accordingly the House resolved itself into the Committee of the Whole House on the State of the Union for the further consideration of the bill, H. R. 6974, with Mr. HAYS of Arkansas in the chair.

The Clerk read the title of the bill.

The CHAIRMAN. When the Committee rose on June 4, the Clerk had concluded the reading of the bill. The bill is open for amendment. Are there any amendments?

Mr. ROONEY. Mr. Chairman, I offer an amendment which is at the Clerk's desk.

The Clerk read as follows:

Amendment offered by Mr. ROONEY: On page 1, after line 10, insert: "In the first proviso contained in section 104, after the words 'subsection (f)' and before the word 'and' insert: 'And for financing international educational exchange activities under subsection (h) and for financing the translation, publication, and distribution of books and periodicals under subsection (i).'"

Mr. ROONEY. Mr. Chairman, I understand that this amendment is perfectly agreeable to the Chairman and the House Agriculture Committee and will be accepted by the committee. In substance it provides that with regard to Public 480 funds the Department of State and the USIA must appear before the Committees on Appropriations of the House and Senate and justify the use of any funds generated under this program.

Mr. COOLEY. Mr. Chairman, will the gentleman yield.

Mr. ROONEY. I yield.

Mr. COOLEY. Mr. Chairman, as chairman of the House Committee on Agriculture, I am perfectly willing to accept the amendment, but I am not authorized by the committee to accept the amendment because the committee has not considered it. But I see no objection to the amendment at all, and I hope the amendment will be adopted.

Mr. ROONEY. I thank the distinguished gentleman from North Carolina.

Mr. JUDD. Mr. Chairman, will the gentleman yield?

Mr. ROONEY. I yield.

Mr. JUDD. I just want to be sure of one point. This does not forbid the use of these funds for such purposes but only requires them to go to the Committee on Appropriations for authorization or approval before they can be used for these purposes.

Mr. COOLEY. The gentleman is entirely correct.

Mr. MORANO. Mr. Chairman, will the gentleman yield?

Mr. ROONEY. I yield.

Mr. MORANO. Is there any limit on the amount of funds that must be expended before they are required to come back to the Committee on Appropriations?

Mr. COOLEY. No. The entire fund is turned over to the President who is authorized to use the funds in accordance with the agreements. The funds come about as a result of the agreements we have with foreign countries.

Mr. MORANO. It does not say how much?

Mr. COOLEY. Yes, we put a limit on it and proposed to increase the amount of \$3 billion by \$1 billion additional.

Mr. HARDY. Mr. Chairman, will the gentleman yield?

Mr. ROONEY. I yield.

Mr. HARDY. I would like to inquire as to how the rest of the membership of the House are going to be informed as to what is proposed to be done.

Mr. COOLEY. What does the gentleman mean when he says "What is proposed to be done"? In what way?

Mr. HARDY. I am talking about the report that goes to the Committee on Appropriations and whether that information is going to be made available to the rest of the House.

Mr. ROONEY. May I explain this to the gentleman from Virginia by referring to just one program, the international exchange program. This amendment would take the two programs, the Public Law 480 and regular programs, and place them in one spot so they would be required to come before the Appropriations Committees and justify the entire program. At the present time international exchange activities are financed out of Public Law 480 funds as well as by direct appropriations to the Department of State.

This amendment would channel both funds into one stream whereby they will be required to justify exactly what they propose to do. Then, when the Appropriations Committee of the House hears the testimony and brings the bill out on the floor of the House the committee will state what is to be done with funds from the Public Law 480 program and present the package to the House for its consideration.

Mr. HARDY. That is the point I wanted to be sure about, that it is presented to the House so the House will have an opportunity to act on it and that it will not simply be an act of the Appropriations Committee itself.

Mr. ROONEY. Just exactly so. In the final analysis, the House will make the decision.

Mr. HARDY. That brings up another question. The other matter I wanted to raise has to do with 480 funds used for the military housing program in Europe. There is supposed to be something over \$50 million of Public Law 480 funds going into military housing.

Mr. ROONEY. This pending amendment, I may say to the distinguished gentleman from Virginia, unfortunately,

does not encompass that program at all.

Mr. COOLEY. Mr. Chairman, will the gentleman yield?

Mr. ROONEY. I yield.

Mr. COOLEY. Does the gentleman from Virginia object to using surplus agricultural commodities to pay for necessary military housing abroad?

Mr. HARDY. Certainly not; and I do not object to selling these commodities; I think it ought to be done. But I think Congress ought to know what is being done and that knowledge should not be confined to the Committee on Agriculture or the Committee on Appropriations.

Mr. COOLEY. If I may say so, the Committee on Agriculture has nothing to do with the negotiations which are made.

Mr. HARDY. Who does?

Mr. COOLEY. The President of the United States; and the House voted that into the law that we are now trying to recall. We gave him the authority to do that and he has been doing it.

Mr. HARDY. That is exactly what I have been complaining about. I think it is time Congress got back some of its responsibility.

Mr. ROONEY. If the gentleman from Virginia will vote for my amendment we will get some of it back, I submit.

Mr. HARDY. I will tell the gentleman that I will vote for his amendment.

Mr. COOLEY. Well, the gentleman and I are together on that.

Mr. ROONEY. With regard to the colloquy had between the gentleman from Connecticut [Mr. MORANO] and the gentleman from North Carolina [Mr. COOLEY] in which something was said or inquired about a limit on the amount of funds that must be expended before they are required to come back to the Committee on Appropriations, my amendment provides that none of these Public Law 480 funds may be expended by the President or the administration for financing international educational exchange activities and for financing the translation, publication, and distribution of books and periodicals or for USIA unless section 1415 of the Supplemental Appropriation Act, 1953, is strictly adhered to.

Mr. CURTIS of Missouri. Mr. Chairman, I offer a substitute amendment.

The Clerk read as follows:

Amendment offered by Mr. CURTIS of Missouri as a substitute for the amendment offered by Mr. ROONEY: In the proviso contained in section 104 before the words "subsection (a)" insert: "And for financing any program set forth in this bill."

Mr. CURTIS of Missouri. Mr. Chairman, this simply makes the Rooney amendment all inclusive instead of limiting it to the three purposes designated in his amendment.

On page 8 of the committee report you will see set out in table 3 the various purposes listed for which these counterpart funds that are generated may be spent. You will notice that they are in very general terms.

The sole purpose of my amendment is to make all of these expenditures of counterpart funds subject to the Appropriations Committee.

Mr. HARDY. Mr. Chairman, will the gentleman yield?

Mr. CURTIS of Missouri. I yield to the gentleman from Virginia.

Mr. HARDY. I just want to be sure I understand the gentleman's amendment. I understood the amendment offered by the gentleman from New York applied to only a limited portion of the funds that would be generated under this legislation.

Mr. CURTIS of Missouri. I regret to say that my amendment is subject to the same limitation.

Mr. HARDY. If the gentleman would broaden it so as to cover all of the funds which are contained in the bill I would feel better about it.

Mr. CURTIS of Missouri. I may say to the gentleman that I had thought the Appropriations Committee itself was going to prepare such a broad amendment. I regret to say that such an amendment has not been prepared, so I am broadening the Rooney amendment as best I can in the limited time I have and wanting the amendment to be accurate.

Mr. ROONEY. Mr. Chairman, will the distinguished gentleman yield?

Mr. CURTIS of Missouri. I yield to the gentleman from New York.

Mr. ROONEY. I should like to briefly explain my position in regard to this. When we had this pending bill on the floor previously, I believe it was on June 4th last, at which time the present speaker, the gentleman from New York made a point of order to the entire bill, that point of order was made following the rejection by a vote of 103 to 45, of an amendment offered by the gentleman from New York which was similar to the pending substitute offered by the gentleman from Missouri. Having been defeated in that effort on June 4th last, I am now in the position where I am willing to settle for what I can get and to salvage as much control by the Congress and taxpayers as I can.

Mr. CURTIS of Missouri. I appreciate the position of the gentleman from New York and I commend him for the fight he has conducted. I am hoping that since that debate the House has had an opportunity to think about this a little more and to understand the full extent of what we have been doing in the past and what we should be doing at the present time. It may be that the House is not yet ready to take over, as I call it, its responsibilities, fiscal responsibilities, in these areas.

I want to direct my attention to what I have termed the specious argument of the proponents of this bill who say this will interfere with the disposal of these agricultural products. As I stated previously, I am the last one who would want to interfere with that program because I happen to feel that the trouble that is generated in our agricultural economy today is largely the result of these large surpluses and any program that we can get within reason that will further the disposition of these agricultural surpluses will be to the benefit of agriculture generally. But I submit that any understanding of the authorization and appropriation procedure for any subject would indicate that this could not possibly interfere with the contracts

that we are talking about that might be entered into with a foreign country. Any time the Committee on Appropriations appropriates money that may be spent the agency that has that money then goes out and lets contracts. It has ample authority to let a contract and to write the details and work the thing out. There is no limitation on the power of an executive agency to contract and to work out the deal necessary under any appropriation. To argue that it is just shows a lack of understanding of the appropriation procedures of the House. For the life of me, I cannot understand such an argument and if there were any validity to such an argument why was that not discussed and presented in the Committee on Agriculture hearings or report? Certainly, to anyone experienced with Federal appropriations it is clear that could not be the effect.

Mr. COOLEY. Mr. Chairman, I rise in opposition to the substitute amendment.

Mr. Chairman, I am for the Rooney amendment and I am surprised to note that apparently so many Members of the House seem to have forgotten the original purposes of this law. The House and the Congress certainly are fully aware of the importance of the subject we are now discussing. This business of subjecting these appropriations, these transfers and these expenditures to the scrutiny of the Appropriations Committee is not anything new. You would think that somebody has just made a great discovery.

The fact is that in the law itself, section 104, we refer to section 1415 of the Supplemental Appropriations Act of 1953 and that act subjects to the scrutiny of the Appropriations Committee all transactions involving currencies and credit.

Now, section 4 says:

Notwithstanding section 1415 of the supplemental act of 1953 or any other provision of law, the President may use or enter into agreements with friendly nations or organizations of nations to use the foreign currencies which accrue under this act for one or more of the following purposes.

And then it enumerates the purposes for which the President can use the funds. Then there is a proviso which the gentleman from New York [Mr. ROONEY] seeks to amend. The proviso reads as follows:

Provided, however, That section 1415 of the Supplemental Appropriation Act of 1953 shall apply to all foreign currencies used for grants under subsections (d) and (e) and for payment of necessary obligations involving grants under subsection (f) and to not less than 10 per centum of the foreign currencies which accrue under this title: *Provided, however,* The President is authorized to waive such applicability of section 1415 in any case where he determines that it would be inappropriate or inconsistent with the purposes of this act.

Certainly we knew what we were doing when we adopted the law. Now, this is no new discovery made by any of you gentlemen who have apparently restudied the law which has been operation and which has operated so well and so successfully in past years.

Mr. RABAUT. Mr. Chairman, will the gentleman yield?

Mr. COOLEY. I yield to the gentleman from Michigan.

Mr. RABAUT. I have not restudied it or anything, but some years ago I was instrumental in putting section 1415 into the law. Now, why is it that you want it waived? All it does is ask for an accounting.

Mr. COOLEY. It has already been waived.

Mr. RABAUT. Why was it ever waived?

Mr. COOLEY. I do not know.

Mr. RABAUT. Did the department give any excuse for waiving it?

Mr. COOLEY. There are a thousand reasons why it was waived.

Mr. RABAUT. Well, give me some of them.

Mr. COOLEY. In the first place, here we are with our warehouses bulging with food and fiber running out of our ears, and we decided, in deliberate fashion, to use these commodities to aid the people of other lands and at the same time not only to build up friendship but to build up the economies of other countries. And, we had great confidence in the President of the United States, and we gave him the authority—this is not any appropriation act, I reiterate that—we gave him the authority to use these commodities in certain ways; that is, he could sell them for dollars; he could sell them for foreign currencies; he could exchange them for strategic materials; he could make grants; he could make loans. And, we also added specifically the things that the President could do, and he has done that. And, I stand here as a Democrat still reiterating that I have faith in the President, and I am proud of the fact that this program has been remarkably free from skulduggery and crookedness; at least, I have not heard of any. And, if anybody has any complaint to level at the way the program has been administered, let him stand up now and say so.

I do want to say this for the Administrator. When this bill was being considered in our committee, the committee room was packed and jammed with people who came there to testify in behalf of an extension. Before closing the hearing I asked the question: Is there a single witness here now who wants to appear in opposition to this law or who wants to offer an amendment to this law? Not one stood up and not one came forward. Now, if the gentleman from Missouri wants to say that he is opposed to the act, I yield to him for the purpose of saying so.

Mr. CURTIS of Missouri. I am not rising in opposition to the act. As I have already stated, I think the act is a sound one and a good one, with this exception. I do rise in answer to your challenge as to whether or not this money has been spent wisely.

Mr. COOLEY. I have not said it was spent wisely. I said it was spent like Congress intended it should be spent.

Mr. CURTIS of Missouri. I do not think Congress intended it should be spent unwisely. I think Congress in-

tended that it should be spent wisely and economically. And, I submit the whole trouble with these foreign-aid programs comes from the fact that there has been so much unwise and uneconomical spending that the people are aroused and want the Congress to look into the matter.

Mr. COOLEY. The gentleman is now making a speech.

Mr. CURTIS of Missouri. I am answering the gentleman's question.

Mr. COOLEY. What is the question?

Mr. CURTIS of Missouri. Your question was: Is anyone willing to rise and say this money was not spent wisely?

Mr. COOLEY. I did not ask any such question as that. I asked if there was anybody opposed to the bill, let him rise and say so.

Mr. CURTIS of Missouri. I just say to the gentleman he should read his words again.

Mr. COOLEY. If I did, I will strike it out of this RECORD, that all of the money has been spent wisely and well spent. I said the President has, in remarkable fashion, carried out the intent and the purpose of this act. If you can point out one variation from the authority—

Mr. BASS of Tennessee. The gentleman said crookedness and skulduggery.

Mr. COOLEY. I said that it was free from crookedness and skulduggery, so far as I know and so far as the members of the committee know.

Mr. CURTIS of Missouri. If the gentleman will yield further, perhaps we can agree on this point. So far as the disposal of agricultural products is concerned, that has been good, but I have not been directing my attention to that. I have said that that part of the program, in my judgment, is excellent and in no way do I want to interfere with that.

Mr. COOLEY. Let me say to my friend that he is not only interfering with it, but he is going absolutely to destroy this program.

Mr. CURTIS of Missouri. That is the issue that the gentleman ought to discuss.

Mr. COOLEY. I am going to discuss the issue right now. If the gentleman's amendment is adopted, you might as well scuttle this whole program and do away with it.

Mr. CURTIS of Missouri. Why?

Mr. COOLEY. I will tell you why. The President is charged by the act with the responsibility of negotiating these agreements in good faith with these foreign governments, working out the details of these complicated contracts. Under the proposed amendment, then he would have to bring them back and submit them to the Committee on Appropriations. Then the Committee on Appropriations could veto the agreement or amend the agreement or modify it. Then it would have to be brought back to the floor of the House and then it would have to be taken over to the other body. That is exactly what would happen. Does that leave the President much authority to make an agreement? And that is what the gentleman from New

York [Mr. ROONEY] wants done with the items with which he is dealing; and with those items I am in agreement.

Mr. CURTIS of Missouri. Will the gentleman yield further?

Mr. COOLEY. I want to talk about the amendment of the gentleman from New York. That amendment would amend the section that I just read a moment ago. Actually it is a proviso, and we can live with this amended proviso. But if you subject these thirty- or forty-odd international agreements to the scrutiny of the committees of Congress, of the House and of the Senate, you know and I know that no more agreements would be consummated; you know and I know that no more surplus commodities would be disposed of.

You say maybe that you do not agree with me. There is one item dealing with exchange students and information. We have already taken care of that. There are certain obligations in the proviso and I think the House should be willing to include the 2 items that the gentleman from New York [Mr. ROONEY] has in mind because it is easy to see that if you have 2 or 3 committees appropriating funds for exchange programs or information programs you might very well have duplication.

Here we do provide in this bill that section 1415 of the act of 1953 shall apply to all foreign currencies used for grants under subsections (d) and (e) and for payment of United States obligations involving grants under subsection (f) and to not less than 10 percent of the foreign currencies which accrue under this title.

Now we know what these funds are to be used for; it is not a detailed breakdown, but it shows what has become of \$2,079,000,000. It shows that for the common defense we have spent through the use of these currencies the equivalent of \$241,012,000; for the payment of United States obligations abroad the equivalent of \$515 million plus.

The gentleman from Virginia complained that it has not been broken down into detail. I will say to the gentleman that if he wants any detailed information why does he not request it be furnished to him by the Department?

Mr. HARDY. Mr. Chairman, will the gentleman yield?

Mr. COOLEY. I yield.

Mr. HARDY. To start with, I do not think that the list the gentleman has there says that those funds have been used for those purposes. They say that it is planned to use it for those purposes.

Mr. COOLEY. Both used or planned to be used.

Mr. HARDY. There is a great deal of difference, I will say to the gentleman, between the two. I would like to ask the gentleman if he can tell the committee how much in terms of counterpart dollar equivalent still is available and unexpended as of now.

Mr. COOLEY. I am not certain, but I think a very small part of it is unobligated. I cannot understand what all this excitement is about at the last minute when we have been talking about Public Law 480 for 2 or 3 years and now certain gentlemen come in and complain

that we do not have this broken down in detail. To break it down into detail as the gentleman desires it, we would have to furnish him with copies of all the numerous contracts that have been entered into with all of these governments. I can get those for him. I have some of them here with me.

Mr. HARDY. Let me make this observation: I will say to the gentleman that the reason I am in here discussing the matter now is that in recent months I have had an opportunity to do a little study on the application of funds generated by Public Law 480. This is the first time the bill has been before the House since then.

Mr. COOLEY. It has been before our committee.

Mr. HARDY. Of course it has. Is the gentleman attempting to stand up in this House and say we have not made any mistakes?

Mr. COOLEY. I have not said that.

Mr. HARDY. We have made mistakes when we have voted on legislation; and, frankly, I think we could have improved this legislation.

Mr. COOLEY. I do not see how the gentleman can read into my remarks the fact that I have said that all of this money was well and wisely spent, nor have I said that no mistakes have been made. But I do say it comes with ill grace when the gentleman from Virginia comes to the floor of the House and wants to subject all of these agreements to the scrutiny of Congress and the scrutiny of the committees of Congress after the program has operated so well so far.

We are building military housing in France right now, and we are paying for it largely with the surplus commodities we have in our storage warehouses. Would you rather use dollars or would you rather use commodities? I prefer to use these commodities. They have had some three-way transactions, triangular transactions involving two or more countries. In that way we have gotten rid of some of the surplus commodities, and in exchange for them we have gotten some advantages which inure to the mutual benefit of all of the people of this country and the security of our people.

To adopt this amendment will be fatal to this program.

Mr. ANFUSO. Mr. Chairman, I rise in opposition to the substitute amendment.

(Mr. ANFUSO asked and was given permission to revise and extend his remarks.)

Mr. ANFUSO. Mr. Chairman, I am perfectly in accord with the amendment offered by my distinguished colleague from New York [Mr. ROONEY] because it simply corrects a situation which should be corrected and makes the operation of the law that much simpler. I am unalterably opposed, however, to the substitute amendment because in effect it would destroy Public Law 480.

One thing that some of the proponent of this amendment have failed to realize is the basic purpose of Public Law 480. Right in the beginning of the act we say that Public Law 480 is adopted to make

maximum efficient use of surplus agricultural commodities in furtherance of the farm policy of the United States. That is the thing we must bear in mind when we discuss any amendments to this act. We passed a law, a very good law, a law which has won for us many friends throughout the world. We placed certain limitations in that law. We said just how our counterpart funds were to be used. We placed the best interests of the United States into all of those limitations.

Mr. FEIGHAN. Mr. Chairman, will the gentleman yield?

Mr. ANFUSO. I yield to the gentleman from Ohio.

Mr. FEIGHAN. The gentleman feels that in furtherance of our foreign policy it is advisable for Congress to support Communist regimes which do not represent the will of the people but rather represent the dictates of the Kremlin?

Mr. ANFUSO. I certainly do not. I intend to touch upon that in a moment, but for the time being let me say that the person best equipped to make an agreement in relation to other countries, whether we like it or not, is the President of the United States. He alone has adequate information. Certainly no Member of Congress and no committee of Congress can legislate for the United States and can make an agreement which will be satisfactory to the world and to these particular countries.

For that reason, I have examined many agreements which were signed under Public Law 480. I noticed a little difference in all of them. Our agreement with India was a little bit different. Our agreement with Israel was a little bit different. The agreement we recently signed with Poland was a little bit different. I think that is what the gentleman from Ohio had in mind in this agreement with Poland. Am I correct about that?

Mr. FEIGHAN. Yes. I expect to take the floor for a few minutes to discuss it.

Mr. ANFUSO. I intend to discuss that and I welcome this opportunity to discuss that very phase. There is no one who has done more to oppose communism than the person now addressing you. I have fought communism in war and in peace to the utmost of my ability. No doubt many others have done much to fight communism, but certainly I have never shied away from doing my share in that respect. Surely I would never in the slightest way do anything to help communism. When you are dealing with Poland, however, you are not aiding communism; on the contrary, I feel you are helping to destroy communism because the people of Poland have been bred and born in freedom.

Mr. ROONEY. Mr. Chairman, will the distinguished gentleman yield?

Mr. ANFUSO. I yield.

Mr. ROONEY. I certainly agree with that statement and wish to commend the gentleman from New York for making it. I am in thorough accord with his conclusion with regard to Poland and the valiant Polish people and shall support the proposed sale and loan to the deserving Polish people under the provisions of the surplus agricultural com-

modities program. However, I want it understood that my mind has not changed with regard to Tito and his Red atheistic dictatorship in Yugoslavia. I opposed the first Yugoslav loan almost 10 years ago and have since each year consistently opposed all military and economic aid to his Communist regime.

Mr. COOLEY. Mr. Chairman, will the gentleman yield for an observation?

Mr. ANFUSO. I yield.

Mr. COOLEY. In connection with the limitation of the use of the funds and the present situation that the administration is in, I would like to read from this letter from the Department of State. It is one short paragraph:

You will note that the text of an agreement for the sale to Poland of some \$46 million of agricultural commodities was drawn up during the discussion but will not be signed at this time. Signature of this agreement would commit funds which still await authorization by the Congress in the pending bill, H. R. 6974, to extend the Agricultural Trade Development and Assistance Act.

That clearly indicates they have run out of funds at this point.

Mr. ANFUSO. Mr. Chairman, I would like to read a brief statement. When we talk about communism and what others feel about communism, let me tell you that one of the greatest victims of communism in Poland, without a doubt, was Cardinal Wyszynski. I would like to read to you an excerpt from a statement he recently made to American reporters. This is what Cardinal Wyszynski said:

People in your press are also wondering whether help should be offered to Poland or not. When you look at your child, which is sick, do you stop to think whether you should help it or not? When you see your mother in distress do you pause to think it over, to consider whether it would be politically advisable for you to help her? Dearest children: Do not commit this terrible mistake of refusing, for various political fancies, of refusing assistance, bread, and kindness to those who are in such great need of assistance, bread, and kindness.

May I say that this is wholly in the spirit of the Polish people.

Mrs. KELLY of New York. Mr. Chairman, will the gentleman yield?

Mr. ANFUSO. I only have another half minute, but I cannot deny my colleague, the gentleman from New York, some of that time.

Mrs. KELLY of New York. I thank the gentleman. If the gentleman is so interested in these surpluses being given to the Polish people, why does he not introduce a resolution to give a certain amount of surpluses to the Polish people. In that way we can be sure that the Polish people will receive these surpluses.

Mr. ANFUSO. May I say to my very distinguished colleague from New York, who is a most able legislator and who I know is sincere in everything she says and does, that the agreement which we signed with Poland does exactly that. We have provided in that agreement not only for the sales of surpluses which will give us the necessary money to use counterpart funds in that country, but we have also provided that our charitable agencies, such as the National Catholic Welfare Conference, can work in Poland.

Mrs. KELLY of New York. That is not correct. The terms of the sale of surpluses to the Gomulka Government forbid such distribution by any agency and even prohibit any check on the distribution. It was my Subcommittee on Europe of Foreign Affairs Committee which heard the terms of the negotiations. I will support a gift of surpluses to the Polish people to be distributed by any charitable agency, but this does not do that. Have you seen all the agreements?

Mr. ANFUSO. Yes, I have.

The CHAIRMAN. The time of the gentleman from New York has expired.

(By unanimous consent Mr. ANFUSO was permitted to continue for 2 additional minutes.)

Mr. ANFUSO. I have received the copy of the agreement from the State Department. I have seen the release made by the State Department, and I now want to quote from the release of the Polish economic delegation. They issued a statement which to me was extremely interesting and showed their willingness to cooperate. I want to read to you the last two paragraphs:

4. I am convinced that apart from the economic negotiations which have just been completed, public opinion in both countries received with satisfaction the news that voluntary aid organizations, as for instance CARE and American Relief for Poland, will be able to resume their activities with respect to Poland.

5. The recently published decision of the Polish Government's reducing or abolishing customs duties in Poland for most goods sent in gift parcels from abroad will greatly facilitate this form of assistance given by Poles living all over the world, especially in the United States, to their relatives in Poland.

I do not know whether you get the significance of that, but it is now permitted for Poles throughout America to send gift parcels free, duty free, into Poland direct, which will be a person-to-person deal. It will indicate to those Polish people how we feel here in America, how people of Polish extraction feel and, particularly, that America remains the land of freedom.

Mrs. KELLY of New York. Mr. Chairman, will the gentleman yield further?

Mr. ANFUSO. If I had time I would be glad to.

Mrs. KELLY of New York. I will take my own time.

Mr. ANFUSO. I thank the gentleman.

To me this is a very fine piece of legislation and I think it will be the best investment the United States has ever made.

Mr. COOLEY. Mr. Chairman, I ask unanimous consent that all debate on the pending amendment and the substitute close in 30 minutes.

Mr. BOW. Mr. Chairman, I object.

Mr. HILL. Mr. Chairman, I rise in opposition to the amendment.

(Mr. HILL asked and was given permission to revise and extend his remarks.)

Mr. HILL. Mr. Chairman, I hesitate to make any remarks on this bill extending Public Law 480. We had, I thought, a fairly thorough discussion of this piece

of legislation some 2 weeks ago, but I would like to associate myself with the gentleman from New York [Mr. ANFUSO], a member of our committee. While he represents a consumer area, he also represents agriculture, because all the consuming areas live on the products of agriculture.

Let me say I am one who thinks absolutely that this is the finest program for the disposal of surplus agricultural products that has been proposed by any Congress. To me this carries with it the germ of the solution of the farm surplus problem.

The question, I think, bases itself on one simple fact: Do you want to turn the farm machinery off that produces these surplus crops, and bankrupt the farmer; or would you rather do some real tough, hard work at the top in the matter of the disposal of surpluses?

This House has now decided that the job is the disposal of surpluses, and we have had all this study made by the Committee on Agriculture.

Another thing that must be remembered in agricultural production is fear of what might happen should we have extensive droughts in this country similar to what some of us have experienced in the West in the last few years.

Mr. Chairman, with a population of over 170 million people in these United States, a general drought over the entire country would certainly place us in a bad situation. That is what might happen unless you support in some way or somehow the disposition of our surpluses when we have them. Our committee decided that there were three ways to do this. You could barter them away, you could trade them. You could trade them for currency, or you could give them away in distressed areas of whatsoever nature domestic or foreign. Of course, we decided as a Congress we would do it through the Department of Agriculture, by way of Public Law 480.

Mr. WHITTEN. Mr. Chairman, will the gentleman yield?

Mr. HILL. I yield to the gentleman from Mississippi.

Mr. WHITTEN. Did not the gentleman overlook the first way, which is to sell them for dollars?

Mr. HILL. I did not overlook that for a minute. I did not think it was necessary to mention that. You cannot sell for dollars in foreign countries, and the gentleman knows that better than I do. You could no more sell the surplus wheat or cotton for dollars than you could fly to the moon with a model T Ford. What we must do is to dispose of these surpluses at the best advantage, and we must put all of our power behind disposing of them.

One of the ways to dispose of them would be to trade these surpluses for the money of other countries. If you were to attempt to trade on the basis of the dollar, you will get no trade. Our committee decided, and the House supported us, and rightly so, that we would trade for the currency of the other countries under whatever the plan might be and that the other country would accept, even to the extent of trading for the currency

of more than one country in a 2- or 3-way trade. We could use even 2 or 3 countries in the disposition of thousands and thousands of dollars worth of surplus farm products every day, not only by the amount of money we spend for storage but through destruction of the article itself on account of deterioration.

Mr. COOLEY. Mr. Chairman, will the gentleman yield?

Mr. HILL. I yield to the gentleman from North Carolina.

Mr. COOLEY. We have received information to the effect that since the inception of the program we have had 87 agreements and that these agreements have been with 30 countries. Does not the gentleman agree with me that if we adopt the substitute we might as well disband the program entirely?

Mr. HILL. Certainly. I am sure the amendment was offered in the very best of faith, but we are pleading with you this afternoon to help in disposing of our surpluses so that we can go along and keep our farm machinery in motion and still continue to produce surpluses.

As a member of the Committee on Agriculture and I say that anyone who gets up in the well of this House and finds fault with the surpluses that the God-given power of production has given us is doing a great disservice to the country, a disservice that cannot be repaired. That is a factual statement. We should be happy that we have surplus wheat, we should be happy that we have surplus fats and oils. Incidentally fats and oils have not been mentioned, yet the Secretary of Agriculture has done the finest job in the disposition of fats and oils of any surplus product. It has not been mentioned. Why? Because fats and oil deteriorate faster than other farm products. He has also done a great job in the disposition of butter. I mention that only to indicate that we must spend our time disposing of our surpluses.

Mr. Chairman, I shall go along with the amendment offered by the gentleman from New York [Mr. ROONEY] but let us not go further than that. I plead with you this afternoon with all the sincerity at my command that the farmer is in a perilous situation. Listen to the cottongrowers who appear before our committee; come over there and listen to the wheat producers who appear before our committee. Let us not this afternoon cripple the finest program for the disposition of farm surpluses that has ever been proposed to this Congress. I hope you will be cautious in accepting amendments that would destroy the very basis of the act that we are discussing and which has been doing a great job in the disposition of all surpluses through the Department of Agriculture in a very magnificent and excellent manner.

Mr. POAGE. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I am afraid we have gotten off to chasing rabbits when we have big game involved this afternoon. We are discussing one of the most important of the agricultural programs that we have ever had before us and one

of the very few that has been working. The question has been raised whether we are going to continue a program that has been successful, a program that has moved agricultural commodities. Those who have been sniping at this program have said, "Oh, yes; I am in favor of it but." These "butters" are just about butting out of the law the one great agricultural disposal program that has worked.

This Public Law 480 has moved a whole lot of agricultural commodities. It has not hurt anybody. It is moving surplus more cheaply than any other of our export programs have been moving them. We have got some programs that run into tremendous amounts of money now. We are moving cotton, we are moving wheat, and we are moving some other commodities at tremendous prices. Do you know, we are putting an export subsidy of 80 to 90 cents on every bushel of wheat moving out of the United States? Do you know we are putting an export subsidy of \$71 for every bale of cotton that is moving out of the United States except through Public Law 480?

Why should we come in here and find some tricky reason for opposing a program that has been so successful? We are told we are stepping on somebody's jurisdiction. We find more evidence that somebody is afraid that their committee is going to be overlooked; somebody who is afraid that the legislation is not going to be referred to them. Well, now, I do not care who it is referred to as long as you carry on the program. But, it is an agricultural program and it seems logical that it should come out of the Committee on Agriculture, and when the program was expiring, it seemed logical that the Committee on Agriculture should be the one to extend it. And, that is what the Speaker thought, for he sent the bill to the Committee on Agriculture. That is what the Parliamentarian thought, because he approved sending the bill to the Committee on Agriculture and not somewhere else.

This bill does not make any appropriations. Oh, no; Mr. WHITTEN's committee had to make an appropriation and you did make one to start out with. You are providing the money for the Commodity Credit Corporation, to acquire these commodities. That was an appropriation. You made an appropriation, and you cannot appropriate the same money 3 or 4 times.

All we have done in this connection is that we have used money that came out of the Committee on Appropriations. It was for \$3 billion. We have had the appropriation. The committee has appropriated the money in the regular order. We have spent that money just as the Committee on Appropriations said it should be spent, to support prices and to buy these commodities, and the United States Government acquired title to these commodities. Having acquired title to them and having no domestic market for them and finding that we can only subsidize them in export at fantastic figures, we thought that it would be sound to sell these commodities to people who could buy them with their own currencies. But, people can-

not buy American commodities simply by giving their own currencies with no limitation upon the use of that currency. That is the point so many of us overlook.

We are inclined to think of this simply in terms of the individual. If I owe a debt, I have no right to tell the creditor how he shall spend the money that I pay him. No. But, it oftentimes makes a difference as an individual if you are making a deal with somebody else how he is going to use the property or how he is going to collect his debt. So, these nations that buy from us under Public Law 480 pay the full price. They do not buy at bargain rates. They are paying the full world market price in their currencies.

The CHAIRMAN. The time of the gentleman from Texas has expired.

Mr. POAGE. Mr. Chairman, I ask unanimous consent to proceed for 5 additional minutes.

Mr. HARDY. Mr. Chairman, reserving the right to object, we have extended time for every one of the members of the committee, and then we have the chairman of the committee propose to shut off debate. I would just like to have a little understanding that if we are going to have 5 minutes time, I withdraw my objection. I would like to take 5 minutes on this side.

The CHAIRMAN. Is there objection to the request of the gentleman from Texas?

Mr. BASS of New Hampshire. I object, Mr. Chairman.

Mr. BOW. Mr. Chairman, I rise in support of the substitute.

(Mr. BOW asked and was given permission to revise and extend his remarks.)

Mr. BOW. Mr. Chairman, first I want to address my remarks to the gentleman from Illinois [Mr. SPRINGER] who has spoken on this bill and said that we are going to ruin it if we insist upon the Appropriations Committee passing on these agreements. That is the last thing that happens in these agreements. The Appropriations Committee does not pass on the agreements. They have nothing to do with the making of the agreements. The only thing that is done is, after these funds are generated by the agreements, after the whole thing has been accomplished, after your deal is over, then the manner in which the funds are used comes to the Appropriations Committee for approval.

Mr. SPRINGER. Mr. Chairman, will the gentleman yield?

Mr. BOW. I yield to the gentleman briefly.

Mr. SPRINGER. It is the question of bringing them back to the Committee on Appropriations.

Mr. BOW. But not for the approval of the agreements at all. That has never been done. We do this in every appropriation that has to do with counterpart funds; that is, we do not consider the agreements themselves, but we consider the use of the funds generated under the agreements.

I want to say to the gentleman from Texas [Mr. POAGE], who accuses some of us of being selfish in this program, of

trying to ruin the program by what we are doing that I am interested in the program and that I believe in it. I will say to the gentleman from Texas that I am interested particularly because of my dairy people. My dairy people are considered in this program. Oh, yes, in the worldwide markets for dairy products, which I represent, there is \$25 million in this program. But I am looking at the chart, and for tobacco, although for my dairy products there is only \$25 million, for the United Kingdom alone, for tobacco, there is \$27 million. And for cotton \$377 million, while for my dairy products there is \$25 million. Selfish? For rice, \$142 million; and for my dairy products \$25 million.

I say to the gentleman from Texas that I am sincere when I say that I believe in this program. And if I thought that this amendment would ruin this program I would not support it. But knowing the manner in which these things are handled by the Committee on Appropriations, knowing that we have nothing to do whatsoever with the making of the contract or the disposal of the goods—I do not believe it will affect the contracts in any manner whatsoever but will protect us from the misuse of the counterpart funds which are generated under them.

You are going to have one bill come to the floor of this House before long concerning which I believe many Members of this House are going to be glad that the Committee on Appropriations gives consideration to the use of the counterpart funds. In that, one country being involved, there is an item turning over to an organization within the United States, for the use of a private organization, certain counterpart funds.

Mr. Chairman, I say to you again that I appreciate the \$25 million for my dairy products; and I am sure that the rice and the cotton and the tobacco people and the fats-and-oils people with their large sums are also appreciative of this law. I shall support it. But I think we ought to check on the use of these funds generated under the contracts, not the contracts themselves.

Mr. BASS of Tennessee. Mr. Chairman, will the gentleman yield?

Mr. BOW. I yield to the gentleman.

Mr. BASS of Tennessee. The gentleman says that this amendment would not interfere with the making of the contract.

Mr. BOW. Yes.

Mr. BASS of Tennessee. The very heart of the program is in the making of the contract wherein we agree to certain uses of the money before the country involved can afford to spend the money for our surplus commodities.

Mr. BOW. I do not know whether the gentleman has read any of these agreements or not.

Mr. BASS of Tennessee. Yes; I have.

Mr. BOW. The agreements provide that the funds shall be used for educational, scientific, cultural programs, and so forth.

Mr. BASS of Tennessee. Yes; I know that.

Mr. BOW. But they do not spell out the specific instance in which these funds

shall be used, but merely refer to the large field in which they may be used. That is the way the contracts are written. We are limited to them. When it comes before the committee, if they are in that field, we are limited to that and we cannot have these funds used any place else. But I think the gentleman will agree with me when some of these bills come before you that you will find that there are certain times that these funds are used for purposes within the agreement which are not in the best interests of the United States.

Mr. BASS of Tennessee. But the country buying the surplus commodities could not afford to spend their currencies and make purchases unless they were assured before making the agreement where the money was going to be spent.

Mr. BOW. Does the gentleman mean on these specific projects?

Mr. BASS of Tennessee. On the specific projects.

Mr. BOW. Is that in the contracts?

Mr. BASS of Tennessee. It is in the agreement of purchase.

Mr. BOW. The agreement of purchase covers a broad range.

Mr. FEIGHAN. Mr. Chairman, I move to strike out the last word.

(Mr. FEIGHAN asked and was given permission to revise and extend his remarks.)

Mr. FEIGHAN. Mr. Chairman, any proposal to give aid to or sell agricultural products to the satellite countries raises a number of basic policy questions. Among them is our relationship to the people of those unhappy countries and how that relationship might be effected by the giving of such aid. Another is our relationship to the Communist regimes which control and exploit the people of those countries and what effect our giving aid might have upon the stability and tenure of those Communist regimes.

It is a well-accepted fact that we want to do everything possible to help the people who are held within the ruthless grip of communism and where feasible, to lift some of the heavy burden which has been placed upon them by the Russian leaders of the Communist conspiracy. Up until a few years ago, our basic policy had been to seek a return of individual liberty and national independence for each of those countries without any strings attached to that policy. Somewhat recently, however, that policy has been watered down by the present administration through its support of evolution, peaceful coexistence, and turning its back upon the patriots of Hungary who determined that revolution was the only way they could get rid of their exploiters. Since the Hungarian revolution and the great disappointment our inability to act has brought to all the people behind the Iron Curtain, great care must be taken to measure every Government activity that would conceivably affect those people. Now more than ever before the people behind the Iron Curtain will be watching with intense interest our every move in order to determine whether all hope for political assistance from the free world has been lost.

On the question of our relationship with the regimes behind the Communist Iron Curtain, we must make it clear to the people they enslave and exploit that we only tolerate such Communist regimes in order to keep a lifeline in to the people. If we do anything which helps the regimes stabilize their position or which takes the pressure off any regime, we will, in effect, be telling the enslaved people behind the Iron Curtain that the leaders of our Government have entered into a status quo agreement with the Russians whereby the Russians will be allowed to keep under their domination all the countries within the Communist empire. If we fail to take precautions in this respect, we can severely damage the hopes and aspirations of those millions of people who were once free and independent and who today are suffering martyrdom for the cause of freedom.

It is for these reasons that I oppose aid to the so-called satellites merely for the sake of giving aid. But for these same reasons, I strongly favor aid to those countries provided it is conditional aid. By "conditional aid" I mean using our surplus agricultural commodities as a means of strengthening our bond of friendship with the people under Communist domination and weakening the control of the Communist regimes which today prevent those countries from being bona fide members of the family of nations. As an example of the conditions which should attach to any aid to the satellite people, I urge the following:

First. We must not allow any of our surplus food to be sold to the people of any Communist regime. To do so will only revive the economies of those countries and thereby strengthen the hand of the Communist regime. And food that we give to those Communist regimes must be distributed without charge to all the people without any discrimination whatever.

Second. If surplus cotton is to be given or bartered with the Communist regimes, a restriction should be put upon the end use of the products produced from our surplus cotton. Our surplus cotton must be turned exclusively into the manufacture of clothing and other household articles needed by the people of the satellite countries. None of the manufactured products should be sold for export. Obviously no military garments or equipment should be manufactured with our surplus cotton.

Third. United States observers must be permitted into each recipient country and given free access to all areas of that country. I would prefer that Americans who trace their origins back to the recipient country and who have a fluency in that language be chosen as observers. Such an arrangement would go a very long way toward preventing favoritism and manipulation by the Communist regime and in any case provide a reasonable means for the American people to know whether or not the people of the recipient countries really benefited from our surplus agricultural commodities.

Too much has been said about the possibility of splitting off the Communist regime of the so-called satellite states from their Russian masters. There has

been too much theorizing on this subject and a seeming refusal on the part of some of our policymakers to face up to the hard, cold facts. If, as is claimed, the Communist regimes in the satellite states want their independence from Moscow and want to ease the burden of the people they exploit, then there should be no objection on their part to the very simple conditions which I recommend be attached. If, on the other hand, the Communist regimes refuse to accept these conditions, a clear test case will have been made and the responsibility for keeping American aid from the oppressed people behind the Iron Curtain will be squarely placed. It is about time that we had a real test on the so-called breakoff policy before support of such a policy breaks us.

The CHAIRMAN. The time of the gentleman from Ohio has expired.

Mr. FEIGHAN. Mr. Chairman, I ask unanimous consent to proceed for 2 additional minutes.

Mr. BASS of New Hampshire. Mr. Chairman, I object.

Mr. SPRINGER. Mr. Chairman, I rise in opposition to the amendment.

Mr. BECKER. Mr. Chairman, a point of order. What are we discussing at the present time, the substitute amendment or the general provisions of the bill?

The CHAIRMAN. The pending amendment is a substitute amendment offered by the gentleman from Missouri [Mr. CURTIS] to the amendment offered by the gentleman from New York [Mr. ROONEY].

Mr. BECKER. Then, may we proceed in order, Mr. Chairman.

The CHAIRMAN. The Committee is proceeding in order.

Mr. BECKER. I have heard a general discussion of the bill, but not on the provisions of the substitute amendment.

The CHAIRMAN. The Chair assumes that gentlemen have been speaking in order since there was no objection.

The Chair recognizes the gentleman from Illinois.

Mr. SPRINGER. Mr. Chairman, I can assure the House that I will stay directly on the point involved. I think we have gone far afield. An amendment was introduced by the gentleman from New York [Mr. ROONEY] which limited these funds in two items. The amendment introduced by the gentleman from Missouri [Mr. CURTIS] would have limited all of these funds and return the counterpart funds contained in this bill to the Committee on Appropriations before any expenditure could be made. I think there has been this misapprehension by those who are seeking to put this back in the Committee on Appropriations after it has already been appropriated once, and that is that they are assuming this is foreign aid or foreign assistance. It is not. This bill is an agricultural trade development bill and that is the title of it. That is what it means. And that is the character of the program in the past 3 years it has been in effect. If we attempt to cripple this law with all kinds of limitations as to how this money may be spent and by providing that the Chief Executive may not enter into these agree-

ments except, in effect, after he comes back to the Board of Directors and gets the approval of the Board of Directors, you can see just how far we would get with the sale of these surplus goods overseas.

If any of you have ever had any business experience, you know full well that if you went out on the circuit to sell goods and you said, "Now I cannot make this sale to you, but our Board of Directors is going to meet again next January and I will have to get their approval of this sale and I will come back to you then with the goods." You can see just how far you would get with the sale. It is just that simple. These contracts are being executed every month even when this Congress is not in session. These agreements are being entered into in anticipation of delivery months later. It is just not feasible to do what the Members who have introduced these amendments are seeking to do. It is not good from our own standpoint for agricultural trade development and it is not good business, in my opinion.

Do not, however, attempt to cripple this act here and now.

In addition to that, it is my understanding that the Appropriations Committee has taken into consideration this program in making appropriations for foreign aid. So may I say that what they hope to do is, in effect, being accomplished under the foreign-aid program in that that program is being limited in anticipation of what is being sold under this program.

There seems to be a further assumption on the part of people who have been discussing the Curtis amendment that foreigners are rushing over here eagerly trying to get these goods. We have made very few sales that way. Actually, we have been in the market trying to sell these goods. Further limitations will make the program ineffective. It will certainly do a great deal of harm, and, to say the least, this program will be severely curtailed if you adopt the Curtis amendment.

As for the Rooney amendment, I cannot see that it will hurt the program substantially. I am in favor of the Rooney amendment and am going to vote for it. The Committee on Agriculture has given me some reasons why the Rooney amendment should be supported, and I am going to support it; but to apply the broad provisions contained in this substitute amendment would do this program irreparable harm.

Mr. RABAUT. Mr. Chairman, I rise in support of the amendment.

Mr. Chairman, the gentleman from Illinois [Mr. SPRINGER] said "it is just as simple as this." I am going to tell you just exactly how simple it is. This House is just trying to get back where it belongs. It was in 1952 that the Committee on Appropriations discovered that the expenditure of these counterpart funds in Europe and all over the world, funds belonging to the United States, was not accountable to anybody. We had a conference about it in the Deficiency Subcommittee at that time and I introduced the amendment that is sought to be set aside here today. The amendment is

now known as section 1415 of the Supplemental Appropriation Act, 1953. I want you to listen to the reading of this simple amendment:

SEC. 1415. Foreign credits owed to or owned by the United States Treasury will not be available for expenditure by agencies of the United States after June 30, 1953, except as may be provided for annually in appropriation acts and appropriations for the utilization of such credits for purposes authorized by law are hereby authorized to be included in general appropriation acts.

What does it mean? It means that this money is going to be handled like any other money that belongs to the United States.

These amendments should be adopted to make these moneys just as accountable as any other money that belongs to the United States. All this talk about the security of other people and so on is not the real issue. This money is the money of the United States Government and should not be handled loosely by a half dozen different agencies all over the world.

There is no need for argument. This money belongs to Uncle Sam; it is his money. If it is spent, we want it accounted for; we want to know where it is going. We are willing to spend it. We are not against this program and we do not want anybody to say: So you are against the expenditure of money for this person or that group or some other group behind the Iron Curtain. That is not so at all. All we want is respect for the things that we have done in order to protect the funds of the American taxpayer.

Mr. HARDY. Mr. Chairman, will the gentleman yield?

Mr. RABAUT. I yield to the gentleman from Virginia.

Mr. HARDY. As I understand it, if we pass the simple extension act as it now is, there will be a waiver with respect to that provision the gentleman has been discussing?

Mr. RABAUT. That is what it is. It says, in effect, "We wish to waive section 1415."

Mr. HARDY. If the Rooney amendment is approved, to what extent will that waiver apply?

Mr. RABAUT. The Rooney amendment only applies to 2 purposes of section 104 of Public Law 480. The amendment offered by the gentleman from Missouri is designed to make section 1415 applicable to all purposes covered in section 104. We should pass the amendment to take care of every one of them.

Mr. HARDY. May I ask the gentleman, to what extent would the amendment of the gentleman from Missouri interfere with the development of these program contracts?

Mr. RABAUT. It would not interfere to any extent at all unless you want to say: Go out and spend it, never mind getting advance approval of Congress for the use of the currencies generated.

Mr. COOLEY. Mr. Chairman, will the gentleman yield?

Mr. RABAUT. I yield to the gentleman from North Carolina.

Mr. COOLEY. Is the gentleman saying that these funds do not come under the scrutiny of the Appropriations Committee? Here it is in the budget.

Mr. RABAUT. They do not come under the scrutiny of the Appropriations Committee as it was intended by this House under section 1415 because you have the language right in there waiving that requirement.

Mr. COOLEY. It says "notwithstanding—"

Mr. RABAUT. "Notwithstanding." That is what I do not like. All the other arguments do not affect me but I do not want to bypass a fiscal control that the House has agreed to.

Mr. COOLEY. Is not the gentleman charged with the responsibility of knowing what is in the budget?

Mr. RABAUT. That is why we have section 1415 in the law and that is why I do not like it when you say "notwithstanding."

Mr. COOLEY. I am not saying that. I am asking the gentleman about the budget.

Mr. Chairman, I move that the Committee do now rise.

The motion was agreed to.

Accordingly the Committee rose; and the Speaker pro tempore, Mr. McCORMACK, having assumed the Chair, Mr. Hays of Arkansas, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill (H. R. 6974) to extend the Agricultural Trade Development and Assistance Act of 1954, and for other purposes had come to no resolution thereon.

COMMITTEE TO ESCORT THE PRIME MINISTER OF JAPAN INTO THE CHAMBER OF THE HOUSE

The SPEAKER pro tempore (Mr. McCORMACK). The Chair appoints as members of the Committee to escort the Prime Minister of Japan into the Chamber the gentleman from Massachusetts [Mr. McCORMACK], the gentleman from Massachusetts [Mr. MARTIN], the gentleman from Illinois [Mr. GORDON], and the gentleman from Illinois [Mr. CHIPERFIELD].

RECESS

The SPEAKER pro tempore. The House will stand in recess subject to the call of the Chair.

Accordingly (at 2 o'clock and 28 minutes p. m.), the House stood in recess subject to the call of the Chair.

VISIT OF HIS EXCELLENCY NOBUSUKE KISHI, PRIME MINISTER OF JAPAN

During the recess the following occurred:

The Doorkeeper (at 2 o'clock and 35 minutes p. m.) announced His Excellency Nobusuke Kishi, Prime Minister of Japan.

The Prime Minister of Japan, escorted by the committee of Representatives, entered the Hall of the House of Repre-

sentatives and stood at the Clerk's desk. [Applause, the Members rising.]

The SPEAKER. Members of the House of Representatives, it gives me great pleasure and I deem it a high privilege to have the opportunity of presenting to you the representative of a great, and a free people, a people who are friendly to the people of the United States; and in that friendship we respond with all the depth of its meaning.

I take pleasure in presenting to you the Prime Minister of Japan.

The PRIME MINISTER. Mr. Speaker and Honorable Members of the House of Representatives, I am deeply grateful for your warm reception and cordial welcome. You have accorded me a great honor today—the honor of speaking in this living citadel of democracy.

It has been a thrilling experience for me to drive up Capitol Hill to this time-honored Hall. It is an inspiration to me to stand on this rostrum which has witnessed the evolution of the modern democratic process of government, thus providing the pattern for new democracies, including my own country. Today Japan is endeavoring with pride and resolution to consolidate the foundations of a truly democratic government. The whole effort of our nation is dedicated to this task, for we believe in the lofty principles of democracy—in the liberty and dignity of the individual. [Applause.]

It is because of our strong belief in democratic principles and ideals that Japan associates herself with the free nations of the world. We are ranged on the side of liberty, justice and equality, because there can be no true peace, no true security, no true progress nor true human happiness unless men and nations live by these principles. [Applause.]

In all our free world relations, our association with the United States is to us the most important. We are grateful to your country for the generous aid we have received since the war in restoring our shattered economy. We believe that our friendship, our mutual respect and trust, and our bonds of cooperation must ever be strong, especially in these times when tensions persist in many parts of the world. [Applause.]

International communism is now trying to win over Asia by exploiting the fervent spirit of nationalism of the Asian peoples and by appealing to their impatience to overcome poverty and privation. The Communists are trying to demonstrate that their way is the quicker way to develop underdeveloped economies and to raise living standards.

We firmly believe that they are wrong [applause], and that the democratic method is the only way to serve the welfare and to promote the happiness of mankind. We must prove that we are right. [Applause.]

As the most advanced and industrialized nation in Asia, Japan has already shown that economic and social progress can be achieved without the Communist short cut. We have already demonstrated that free enterprise serves human happiness and welfare in an honorable way with full respect for the dignity of man. [Applause.] It is my firm

conviction that Japan, as a faithful member of the free world, has a useful and constructive role to play, particularly in Asia, where the free world faces the challenge of international communism. We are resolved to play that role. [Applause.]

I have come to this country at this time, in response to an invitation from your President, to have a frank exchange of views with the highest officials of your Government on a wide range of problems of mutual interest and concern as they affect our two countries and as they affect the world. I hope that our discussions, now in progress, will bear good fruit. [Applause.] From our talks there will emerge, I sincerely trust, a strong and enduring partnership that will open the door to a new era of Japanese-American relations.

Let me, in closing, express to you, and through you to the people of America, my high esteem and warm feelings of friendship, and my best wishes for the prosperity and happiness of your great Republic, the United States of America. [Applause, the Members rising.]

AFTER RECESS

The recess having expired at 3 o'clock p. m., the House was called to order by the Speaker.

PRINTING OF PROCEEDINGS HAD DURING THE RECESS

Mr. McCORMACK. Mr. Speaker, I ask unanimous consent that the proceedings had during the recess be printed in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

AGRICULTURAL TRADE DEVELOPMENT AND ASSISTANCE ACT OF 1954

Mr. COOLEY. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the further consideration of the bill (H. R. 6974) to extend the Agricultural Trade Development and Assistance Act of 1954, and for other purposes.

The motion was agreed to; accordingly the House resolved itself into the Committee of the Whole House on the State of the Union for the further consideration of the bill H. R. 6974, with Mr. Hays of Arkansas in the chair.

The Clerk read the title of the bill.

The CHAIRMAN. When the Committee rose there was pending the amendment offered by the gentleman from New York [Mr. ROONEY], and the substitute offered by the gentleman from Missouri [Mr. CURTIS]. Without objection, the Clerk will again report the amendment and the substitute.

There was no objection.

The Clerk again reported the amendment and the substitute.

The CHAIRMAN. The Chair had recognized the gentleman from Virginia [Mr. HARDY] when the Committee rose.

Mr. HARDY. Mr. Chairman, I move to strike out the last word.

Mr. CURTIS of Missouri. Mr. Chairman, will the gentleman yield?

Mr. HARDY. Briefly.

Mr. CURTIS of Missouri. I would like to have the gentleman yield for the purpose of getting a unanimous-consent request to withdraw the substitute and offer another substitute. I think I can explain in my own time why it simplifies the matter, but it is exactly the same thing we have been talking about.

Mr. HARDY. I wonder if the gentleman could withhold the reading of it and just get unanimous consent to withdraw his substitute.

Mr. CURTIS of Missouri. Mr. Chairman, I ask unanimous consent to withdraw the substitute previously offered.

Mr. GROSS. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. Does the gentleman yield for that purpose?

Mr. HARDY. I hope it will not last long.

Mr. GROSS. I hope the gentleman will yield. If unanimous consent is secured, that would automatically take the gentleman from Virginia off the floor, would it not, because he has obtained time to speak on the pending substitute.

The CHAIRMAN. What the gentleman from Missouri requests could be accomplished without taking the gentleman from Virginia off the floor.

Mr. GROSS. And that unanimous consent be granted that the gentleman would not be deprived of the floor?

The CHAIRMAN. Yes. The gentleman is correct.

Mr. GROSS. And only under that condition?

The CHAIRMAN. The gentleman is correct. It would require unanimous consent.

Mr. CURTIS of Missouri. I would add that to my unanimous consent request.

The CHAIRMAN. Is there objection to the request of the gentleman from Missouri?

Mr. SPRINGER. Mr. Chairman, reserving the right to object, is it in order to have the substitute to be offered by the gentleman from Missouri read so that we would know what is in it? Is it in order to have it read?

Mr. HARDY. Mr. Chairman, I hate to have to decline to yield further.

The CHAIRMAN. The Chair feels that the gentleman from Virginia should be given the privilege to proceed before further proceedings are had to yield or not to yield. There is a parliamentary problem here, and the Chair does not want to take the gentleman off his feet.

Mr. HARDY. I thank the Chairman. I would like to ask the gentleman from Missouri to withhold his request until after I have finished.

Mr. Chairman, I want to clarify my own position with respect to this legislation in support of the amendment offered by the gentleman from New York [Mr. ROONEY] unless we have a substitute which will be more suitable.

First of all, with respect to Public Law 480 I would like to say that I supported that legislation. I think it is desirable legislation. I have supported it in times

past and I think we ought to continue the legislation. That does not mean, Mr. Chairman, that the legislation is perfect and cannot be improved. I feel just a little put out that the gentleman from North Carolina [Mr. COOLEY], makes the suggestion, makes the bold statement that it comes with poor grace that I should make any suggestion that the legislation can be improved.

Mr. Chairman, when the measure was up before I did not know quite as much about the way it was going to work as I have since learned. I think maybe I should say to the House that I know a little bit more about the operations of Public Law 480 than that which has to do purely with the 3-cornered proposition with respect to military housing.

In our studies by the Subcommittee on International Operations, of which I have the privilege of being chairman, we tried to make some analysis of the foreign-aid program and the manner in which budgets were presented. We issued a report on our findings. Included in our consideration were some facets of the Public Law 480 proposition. We tried our best to find out what funds had been available in countries where our foreign-aid program is operating under Public Law 480. We tried to find out the purposes for which those funds had been expended.

Mr. Chairman, I must say that our efforts were certainly not as productive as they should have been and on page 179 of the hearings of our committee there is a report submitted by the ICA purporting to respond to criticisms made by the General Accounting Office of the manner in which the International Cooperation Administration handled Public Law 480 funds. I sent a copy of our report to the chairman of the Committee on Agriculture. I called attention, I think, to the report which we had issued. He might not have had an opportunity to read that particular part of our hearings.

Virtually all of the information we have been able to get on use of these funds has been expressed in the most general terms.

There are two phases of the matter that we are discussing here today. One is the development of the programs. Of course, there can be a lot of debate as to whether the President should have complete authority to develop programs as he does. That is not the aspect of the matter that I am talking about at the moment. However, I should mention the fact that the first time I had occasion to raise any question about the operations of this program, I made inquiry about the programs carried out in one specific country with respect to the sale of wheat. There was approximately \$25 million in each of two programs under Public Law 480 going on simultaneously with approximately \$25 million as a foreign-aid grant, under the mutual-security program. Those three were going on simultaneously. One of the \$25 million Public Law 480 programs carried a provision in the agreement that 90 percent of the funds generated under that program would be deposited in banks of the recipient coun-

try for the stabilization of the economy of that country; 10 percent of the funds would be deposited in banks of that country for the use of the United States Government for United States purposes.

The second of Public Law 480 agreements in that same country going on at the same time provided that 100 percent of the funds would be for the use of the recipient country for the stabilization of its economy. Maybe we ought to review the making of these agreements, but that is not the thing that I am talking about now.

We ought to have better control over the agreements but, after making the agreements the 10 percent certainly should be subject to some control by the Congress as to the purpose for which it is expended. I contend that with respect to such amounts in whatever country they are generated there should be some detailed reporting to this Congress and we ought to know what happens to them.

The CHAIRMAN. The time of the gentleman from Virginia has expired.

(By unanimous consent, at the request of Mr. COOLEY, Mr. HARDY was permitted to proceed for 3 additional minutes.)

Mr. GROSS. Mr. Chairman, will the gentleman yield?

Mr. HARDY. I yield to the gentleman from Iowa.

Mr. GROSS. I have had the opportunity to read the report submitted by the gentleman's committee. I certainly can recommend it to the other Members of the House. The gentleman did an excellent job. I want to compliment him and his committee.

Mr. HARDY. I thank the gentleman very much.

It was not my purpose, Mr. Chairman, to espouse the cause of any particular committee. I realize there has been a little bit of this question of committee jurisdiction that has entered into this debate. I am not the least bit concerned with that, but I am concerned that we should be advised about, and have some control over, the use of every dollar of foreign currency that has been generated under Public Law 480. I defy the gentleman from North Carolina or any member of his committee to find out as of now the purposes for which these funds have been used. He can get generalities, but the gentleman cannot find out in detail the real purposes for which they have been used.

Mr. COOLEY. Mr. Chairman, will the gentleman yield?

Mr. HARDY. I yield to the gentleman from North Carolina.

Mr. COOLEY. I am not going to argue the point with the gentleman at all. I agree with him that Congress should have the full benefit of all information that can possibly be made available. What I have said in the midst of our own committee is that we have received no complaints about this program. We asked for complaints and asked for opposition, but we received no complaints and heard no opposition.

I want to make one other statement. The gentleman is on the Committee on Armed Services. One big item involved here is the military housing item. It is

now just about to start. My understanding is that the gentleman's committee knew all about this million-dollar item and approved it.

Mr. HARDY. I not only serve on the Committee on Armed Services; I serve on a subcommittee that has jurisdiction over that particular subject; but I must say to the gentleman that the information we have thus far has not been entirely adequate. I think we will eventually get it. But I must say that with respect to all these funds we could certainly use a little bit better information than we are getting now. The legislation ought to provide requirements to that effect.

Mr. COOLEY. I am anxious for the gentleman to have full and detailed information, but we are confused about two things. The gentleman is talking about details with reference to the use of all these funds. I am talking about one item, the military housing item. I understood that the gentleman's committee approved that transaction.

Mr. HARDY. That is correct. We approved it, but when the project was first submitted we did not have adequate information and we asked for some more. On this project I think we will find out what we need to know.

Mr. COOLEY. I hope the gentleman is successful. If there is anything I can do to help him, I shall be glad to do it.

Mr. FULTON. Mr. Chairman, will the gentleman yield?

Mr. HARDY. I yield to the gentleman from Pennsylvania.

Mr. FULTON. The gentleman's point is that he wants the legislative committees of the House having jurisdiction over these programs, such as the Armed Services Committee and the Foreign Affairs Committee, to have adequate information?

Mr. HARDY. Let me correct the gentleman. No. I am not concerned only about the legislative committees having adequate information. I am concerned that every Member of this Congress have information to justify his own actions. I think we have depended too much on the committees to carry the ball entirely. For the gentleman from North Carolina to say, "Our committee has approved this legislation and it is up to the rest of you to follow," or for the Foreign Affairs Committee to say, "Our committee has approved this legislation and the rest of you should blindly follow us," or for any other committee to do this I think is a great mistake and ought not to be done. Certainly it does not justify me.

Mr. FULTON. Does not the gentleman think the legislative committees that have jurisdiction of these particular matters should be advised as well as the Appropriations Committee?

Mr. HARDY. Of course they ought to be advised.

(Mr. HARDY asked and was given permission to revise and extend his remarks.)

Mr. CURTIS of Missouri. Mr. Chairman, I ask unanimous consent that I be permitted to withdraw my substitute amendment and offer a substitute for it.

Mr. COOLEY. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. COOLEY. If the unanimous-consent request the gentleman has now submitted is granted, would his amendment be a substitute?

The CHAIRMAN. It is offered as a substitute.

Mr. COOLEY. But it is at a different place in the bill from where the Rooney amendment was offered.

The CHAIRMAN. The Chair suggests that the amendment be reported.

The Clerk will report the substitute amendment offered by the gentleman from Missouri.

The Clerk read as follows:

Substitute amendment offered by Mr. CURTIS of Missouri for the amendment offered by Mr. ROONEY: Strike out the initial clause of section 104 "Notwithstanding section 1415 of the Supplemental Appropriation Act, 1953, or any other provision of law," and strike out the two proviso clauses of section 104.

Mr. COOLEY. Mr. Chairman, I reserve a point of order against the amendment.

Mr. FULTON. Mr. Chairman, reserving the right to object, I do so because I feel that the surplus agricultural disposal program has been successful under Public Law 480 and because I feel I must oppose any amendment that would severely limit or change the program. I must object to the unanimous consent request.

Mr. CURTIS of Missouri. Mr. Chairman, will the gentleman yield?

Mr. FULTON. I yield.

Mr. CURTIS of Missouri. I might state, as I have explained, that this is only to simplify the procedure here. I can offer this amendment at a later time, and I am simply trying to submit it here to simplify matters. The gentleman gains nothing, I might state.

Mr. FULTON. I must say this. When an amendment would effectively destroy the setting up of programs abroad and limit them, I must object to it because this program has been so successful. I must object.

The CHAIRMAN. Objection is heard.

Mr. KNOX. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I ask unanimous consent to speak out of order.

The CHAIRMAN. Is there objection to the request of the gentleman from Michigan?

There was no objection.

Mr. COOLEY. Mr. Chairman, perhaps we can come to an agreement to limit the time for debate. I ask unanimous consent that all debate on the pending amendment, and all amendments thereto, close in 30 minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from North Carolina?

There was no objection.

Mr. KNOX. Mr. Chairman and members of the committee, I hope that I may briefly have your attention. What I have to say today possibly has in the past affected you or it may affect you in the future. I regret that I must take this time to bring to your atten-

tion a misuse of the authority which has been vested in certain employees of the House of Representatives, the doorkeepers. On May 28, 1957, I issued 17 cards, gallery passes, to constituents of mine who had traveled a thousand miles to come to Washington, D. C. These constituents requested that they have the opportunity to see their Nation's Congress in action. I issued the passes to them. They were admitted to No. 4 gallery in this section on my right here and without reason or cause they were ejected from the gallery after sitting there for 20 minutes. I have discussed this affront with the majority leader, the gentleman from Massachusetts [Mr. McCORMACK] who said that he did not believe that such an occurrence could happen in the United States House of Representatives. I informed the gentleman that it not only could happen but that it had happened. The gentleman from Massachusetts asked me to take it up with Mr. Miller, the Doorkeeper. I did as suggested by the majority leader. Mr. Miller in turn referred to his subordinate, Mr. Louis Della-Camera, who is in charge of the gallery section in which my constituents were seated. The doorkeepers assured me I would have a letter of apology for the abuse that was given to the people to whom I had given the cards to enter the gallery. This promise of apology was given some 2 weeks ago and to date there has not been any sign of a letter of apology forthcoming for the discourteous treatment which my constituents received from the House employees involved.

Now, I would like to know what this gallery card which I hold in my hand means? What is its import. These cards are sent to every Member of the House. Have you read the printing on the back of the card? It reads:

This visitor's pass for the 85th Congress will be honored at the House Gallery doors for the entire 85th Congress except on joint session days or unless otherwise advised.

Mr. Chairman, I think it is about time this House took cognizance of the treatment that your constituents and my constituents are receiving from these certain House employees—people we have put in positions of trust.

They have officiously abused the authority we have delegated to them, and I think it is about time there were appropriate changes made as far as these employees are concerned who have irresponsibly betrayed the faith we have vested in them.

Their action is a direct violation of the terms of the pass card. If my signature on that card is no good, then your signature on that card is similarly no good.

I direct this matter to your attention because it constitutes a gross violation of delegated responsibility and a deliberate usurpation of congressional prerogatives by appointed House employees.

I am surprised that Mr. Miller, the Doorkeeper of this House, compounded the affront by breaking his word when he told me there would be a letter of apology forthcoming so that I could transmit it to my constituents affected. I have not received that letter to date. I

have noted many days when people from foreign countries and privileged guests have come into these galleries and have never been molested in any way or asked to leave. When our good American children come to Washington, D. C., to visit the Capitol and are treated with officious disrespect by certain employees of the House, that is something I will not tolerate.

I hope the majority leadership of this House takes cognizance of this abuse of delegated authority and acts to assure that the people who have violated the pass cards are properly dealt with.

Mr. HOFFMAN. Mr. Chairman, will the gentleman yield?

Mr. KNOX. I yield.

Mr. HOFFMAN. If there are lobbyists here, they can come in and stay all day.

Mr. KNOX. Yes; lobbyists can stay all day if they want to; they are never molested.

Mr. FULTON, Mr. Chairman, will the gentleman yield?

Mr. KNOX. I yield to the gentleman from Pennsylvania.

Mr. FULTON. Actually I have had dealings for 13 years with these men who watch the gallery doors and have always found them courteous.

I must say I know Fishbait Miller, know what a fine fellow he is, and I have never seen any discourtesy on his part.

I would like to ask the gentleman whether this was a specific instance or a repeated instance, and was there any good reason why they were asked to leave? Were the other galleries filled, or how did they explain the thing?

Mr. KNOX. The only excuse given to me was that the Doorkeeper wanted to rotate them because other people were waiting.

Mr. FULTON. That might be a good excuse to me.

Mr. KNOX. It is not a good excuse to me. They should not be treated in this manner. The Doorkeeper made no effort to notify my office of his intention to violate the terms of the passes I had given to my constituents.

Mr. FULTON. If other people were waiting outside—

Mr. KNOX. Sir, you are taking up my time.

Mr. FULTON. I am speaking for Fishbait Miller.

Mr. KNOX. I am not going to stand for Mr. Miller abusing my constituents or any other Member's constituents.

The CHAIRMAN. The time of the gentleman from Michigan has expired.

Mr. KNOX. Mr. Chairman, I ask unanimous consent to proceed for 2 additional minutes.

The CHAIRMAN. The Chair will advise the gentleman from Michigan that the time has been fixed by unanimous consent.

Mr. SIEMINSKI. Mr. Chairman, I ask unanimous consent that the gentleman may proceed for 1 minute.

The CHAIRMAN. According to the request submitted by the gentleman from North Carolina, debate was limited to 30 minutes.

Mr. SIEMINSKI. I ask for this extension of time inasmuch as Mr. MILLER cannot speak for himself.

(Mr. KNOX asked and was given permission to revise and extend his remarks.)

Mr. FULTON. Mr. Chairman, I ask unanimous consent to yield 1 minute of my time to the gentleman from Michigan.

Mr. HOFFMAN. Mr. Chairman, I object to that request because I am entitled to recognition under that same division of time, and that is 2 minutes, is it not?

The CHAIRMAN. Yes.

Mr. HOFFMAN. I want recognition.

Mr. FULTON. Mr. Chairman, I would like to yield—

Mr. HOFFMAN. Will you wait until I get through?

Mr. Chairman, I want recognition so I can yield to the gentleman part of my time.

The CHAIRMAN. The Chair recognized the gentleman from Pennsylvania and he has yielded to the gentleman from Michigan.

Mr. FULTON. Mr. Chairman, may I say to the Chair that I did not yield to the gentleman from Michigan [Mr. HOFFMAN]. I do not know whether he realized that when he was speaking. I yielded to the other gentleman from Michigan.

Mr. LONG. Mr. Chairman, what is the parliamentary situation at this moment? And does it take a unanimous consent request to be carried out?

The CHAIRMAN. The gentleman from Pennsylvania has the floor. He was recognized by the Chair for 2 minutes. He was on the list, under the unanimous consent agreement, and he now yields to the gentleman from Michigan [Mr. Knox].

Mr. SIEMINSKI. Mr. Chairman, will the gentleman yield?

Mr. KNOX. I yield to the gentleman from New Jersey.

Mr. SIEMINSKI. Mr. Chairman, inasmuch as Mr. Miller cannot speak for himself on the floor of the House may I say that I have known him for 7 years. I do not think anything deliberate was meant and I am sure that if there were many schoolchildren here that day it was merely a question of seeing that all of them, whether they came 2 miles, 2,000 miles or 3,000 miles, had a chance to witness some of the proceedings.

On behalf of Mr. Miller. I would like to say that I am sure he is sorry, and for whatever reason there is, that no letter has come to the gentleman, I am sure no offense was meant to the gentleman or to the children of his district or to the children or constituents of any of us here. It is merely a question of promptness and efficiency and to enable those who come to see the proceedings of the House to have the opportunity to do so, which may be once in a lifetime.

While there are only 700 to 800 seats in the gallery, the following might be pertinent:

Four surveys have been made this year at different intervals to find out just how many people visited the galleries during a given period—3½ hours—and it was found out that those school groups, the guided tours, the people who had been issued cards and those visitors brought to the galleries by the Members

of Congress, averaged out to a total of 8,500 per survey.

This visit took place during the visit of an official from one of our friendly countries and certain rules had to be laid down contrary to the usual daily use of the galleries.

Mr. KNOX. I appreciate the efforts of the gentleman from New Jersey to explain the manifestation of discourtesy on the part of these House employees that is apparently at issue here. However, I would suggest that in his efforts to condone this action he is not familiar with the facts. The fact is that my constituents were ejected from the gallery in derogation of the terms of the pass by which they had gained admittance at a time when there was no visiting official from a foreign country present in the House of Representatives. There was no special rules for admittance in the galleries in effect at that time.

My constituents were ejected at 1:30 p. m., on May 28, and on examination of the CONGRESSIONAL RECORD for that date will clearly indicate that no official representative of a foreign country was in attendance in the House of Representatives at that time. The fact is that the foreign dignitary visited the House of Representatives at 12:30 p. m., and briefly addressed the House for a period of not to exceed 20 minutes. My constituents entered the gallery only after the House had recessed following the completion of the visit by the foreign dignitary.

Another fact directly bearing on this matter is found in the established practice followed with respect to visitor's admittance in the galleries. Rotation of visitors is observed in galleries 1, 10, and 11, which are used for tour purposes and the time spent in those galleries is controlled by the guides in charge of the groups. My constituents were seated in gallery 4 where there is no rotation of spectators.

The considered efforts of my colleague from New Jersey to express an apology in behalf of Doorkeeper Miller is appreciated but does little to safeguard the membership of the House from such indiscretions and from abuse of authority on the part of the Doorkeeper's office.

The Doorkeeper's disregard of the prerogatives of Members of Congress and the Doorkeeper's disregard of the considerate treatment of our constituents is the Doorkeeper's own doing. He must answer to me and to my constituents for his indiscretion in this instance. His continued failure to do so exemplifies his indifference to the responsibilities of his office and typifies the attitude he brings to the performance of his official duties.

Mr. Chairman, I should like to offer for the RECORD the following names of my constituents who were discourteously treated:

Lorraine Baur, Gary Boldrey, Elaine Cadieux, Lyle Carter, Elaine Comeau, Robert Davis, Bruce Fisher, Sharon Hamilton, Neil Hoeft, Owen Keegan, Kenneth LeFleche, Francis Ranger, William Smart, Deanna Snow, Duane Stevens, and Mr. and Mrs. William Green.

These were the individuals who were ordered to leave the gallery and who carried a pass with my signature. To these valued constituents I apologize for the discourteous treatment they received at the hands of the House employees involved.

Mr. FULTON. I concede that when the gentleman's constituents did get back home they may have been upset about it. They may not have known the real reason. I believe a gentleman previously speaking pointed out that there is a rotation system and after these people have been in the gallery for a certain time they are often escorted out of the end and corner galleries. I see it every day. I have had my people up there, including young people from schools, and when the time came I told them it was time to go so that another group could be let in. I said to them, "I guess it is our time to go."

May I say that being Doorkeeper to the House of Representatives is not an easy job and Fishbait Miller does an excellent job.

The CHAIRMAN. The Chair recognizes the gentleman from South Dakota [Mr. McGOVERN].

Mr. Chairman, there is no problem that is of any greater interest to me than the problem of using America's agricultural abundance for constructive purposes.

I have never accepted the view which regards food surpluses as an evil. At a time when millions of Americans are subsisting on inadequate diets and when most of the inhabitants of the globe are hungry, it is shortsighted for us to wring our hands over surplus food production in the United States.

There is no American asset which the Soviet Union eyes with greater envy than our agricultural production. Does anyone seriously believe that Russia would regard surplus food production as a liability.

I am firmly convinced that we have no more effective instrument in the struggle for a peaceful world than American food. That is why I am in favor of Public Law 480 and other programs designed to place agricultural surpluses in the hands of hungry people abroad.

I am disturbed, therefore, by an article appearing in the June 19, 1957, issue of the Wall Street Journal under the byline of Mr. James Reynolds. This article calls attention to a recent decision by the Department of Agriculture which has blocked a program of valuable aid to farmers and metal producers.

Under this program authorized by Congress in 1949, the Commodity Credit Corporation has disposed of approximately \$1 billion of farm surplus which have been bartered for metals produced in foreign countries. The program has also helped support the price of metals because metals secured by barter are kept off the market in Government stockpiles.

The barter program, as reported by Mr. Reynolds, has had the support not only of the Congress, but also President Eisenhower, the Secretary of Interior, and the Secretary of State, as well as farm supporters.

I find it hard to understand why the Department of Agriculture saw fit last month to block further operations under the barter program.

I believe that the Members of Congress will be interested in reading the entire Wall Street Journal article, and I am, therefore, including the article at this point:

CROP SWAPPING—FARM CHIEFS SEEM SURE TO REVERSE THEMSELVES, RELAX CURBS ON BARTER—MORE SURPLUS FOR MINERALS DEALS URGED BY EXPORTERS, FARMERS, CABINET MEMBERS—FIGHT MAY FLARE TOMORROW

(By James A. Reynolds)

WASHINGTON.—Under pressure from inside and outside the official family, Uncle Sam's farm chiefs are unhappily bracing themselves for an about-face on their recent decision to cut back a program of significant aid to farmers and to metal producers.

The program involves the barter of this country's farm surpluses for minerals produced abroad. It tends to cut farm gluts, and because minerals received by barter are locked off the market in Government stockpiles, barter tends to prop metal prices. In the past few years, nearly \$1 billion worth of barter contracts have been signed. In recent months, as Government stockpile purchases have slackened, barter has been the biggest support under lead and zinc prices, metal men agree.

Although this program doesn't quite provide something for everybody, it does enjoy wide popularity. Farmers and metal producers who stand to gain from barter are naturally all for it; so are their official friends in Washington. Exporters are speaking up strongly in behalf of barter, since some of them now do most of their business this way under contract with Uncle Sam. Many foreign lands benefit from the program, so the State Department favors barter.

SHARP CURBS ADOPTED

Late last month, after a brief suspension, the Agriculture Department, which runs barter, slapped sharp restrictions on the program. "The rules were designed to kill off barter," says one official frankly. The announced reason for curtailment was fear of displacing more desirable export sales for cash. But officials also believed they were being forced to support metal prices as well as farm prices. They were leery of possible windfall-type scandals under the old rules. And they figured Congress' economy drive would trim barter funds anyway.

Now lead and zinc prices are falling and insiders predict it may be only a matter of weeks before barter rules are relaxed. "I see signs that we'll be forced to back down," says one farm official. "I don't think the department can stand up under the pressure."

The pressure may be exerted as high as the Cabinet level. Interior Secretary Seaton praises the barter idea and hints he'll go to Farm Chief Benson or even the White House if he decides that's the only way "to save lead and zinc producers from disaster." President Eisenhower himself is on record in favor of barter. "A long-range expansion of barter is inevitable," Mr. Seaton argues. "It makes too much sense to trade a bushel of wheat for pounds of minerals." He adds: "I expect some action on the barter front soon."

Another high Interior Department official bitterly claims the Agriculture Department is sacrificing the domestic mining industry on what he calls "the mere assumption" barter is displacing cash sales.

ARGUING FOR BARTER

State Department men, too, are reported arguing for barter revival. When the recent curtailment was proposed, the diplomats warned of ill effects on United States foreign

relations. Now, they say, foreigners believe the barter restrictions, along with the new long-range minerals policy, which includes proposed lead and zinc import duties, mean Uncle Sam is withdrawing a price support for world lead and zinc and, at the same time, offering to support domestic lead and zinc at the expense of foreign producers.

The behind-the-scenes fight may break into the open tomorrow at Senate Agriculture Committee hearings on surplus-crop-disposal programs. Key committee members who have privately voiced sympathy for exporters' complaints against barter curtailment are expected to snipe at the farm agency's new rules. These farm State Senators generally favor barter as a glut cutter, and committee member SYMINGTON, the Missouri Democrat, represents metal mining as well as farm areas.

"I think you'll soon see some shaking up of the Agriculture Department barter regulations," one committee member confidently predicts.

The Department is particularly sensitive to criticism of traders who help dispose of farm surpluses abroad, and the traders are hopping mad over the new barter rules. One farm official reports receiving 75 protest telegrams from disgruntled exporters in a single day.

What's more, the mining industry, once apathetic to barter, is starting to clamor for large-scale resumption of crops-for-minerals swapping. And the Nation's lead and zinc producers have banded together in a new committee, headquartered here, to lobby for more Government aid.

PRESSURE MAY GROW

If anything, the pressures may grow in time to come. Some administration officials predict further drops in lead and zinc prices unless the Government acts. And a farm official figures farm exports will drop this fall as Western Europe and Argentina, which have been Uncle Sam's best customers, harvest bumper crops. An export drop, he figures, would give the Agriculture Department a good excuse for an about-face on barter.

What form would a relaxation of the rules take? Farm officials naturally won't say, but present straws in the wind suggest easing of two major restrictions in the regulations announced last month. Under one of these new provisions, contractors in most barter deals must prove that the importing country would not take the farm surplus commodity if it had to pay in dollars.

"How can you prove it?" complains one barter contractor, Charles A. Cogliandro, president of Calabrian Co., Inc., of New York City. This rule alone, he claims, kills barter entirely. He says it gives the Agriculture Department the power of God over the program.

And a farm official confides: "We can't furnish such proof ourselves. So I don't see how traders can be expected to do so." He adds there's no proof, but only strong assumptions, that barter deals have cut into cash sales of United States surpluses abroad.

The other major curb that may come up for relaxation involves processing of the materials acquired through barter. Under the new rules, such materials must be both produced and processed abroad; formerly, they had to be produced overseas but could be smelted in this country.

The American Mining Congress, the mining industry's trade organization, noting that a substantial part of all lead and zinc barter transactions has involved United States smelted products, singles out this restriction for denunciation. And barter contractors say facilities just aren't available abroad to process some materials.

One other new rule seems unlikely to be scrapped, since it's designed to prevent windfall-type scandals. It works like this: Normally a contractor gets rid of the surplus

crop before he delivers minerals to the Government; such delivery may not be made for up to 2 years. In the meantime, under the old rules, he had interest-free use of the money from the crop sales. But the new regulations require contractors to pay interest to Uncle Sam. Evidence in Agriculture Department hands indicates some of these funds have been used for purposes far removed from the barter program.

Barter is handled through United States contractors who export farm commodities from stocks held by the Commodity Credit Corporation, Uncle Sam's surplus warehouseman. The contractors then repay the CCC with imported lead, zinc, and other strategic materials which are on the agency's barter shopping list. The minerals may or may not come from the country that takes the farm commodities. It's up to the contractor to dispose of the crops abroad and use the proceeds to buy the strategic materials he must deliver to the CCC.

AUTHORIZED IN 1949

Crops-for-minerals swapping was authorized by Congress in 1949 and started in 1950, but didn't amount to much until 1954. Since then, however, CCC has been making barter deals at a better than \$300 million-a-year clip—or was, until the program was throttled down. To date, the total value of the CCC's barter contracts tops \$975 million, with lead and zinc making up \$112 million of the total. Significantly, \$76 million of these lead and zinc deals have been added just since last summer. Other materials on the barter shopping list include antimony, bauxite, chromite, manganese, and selenium.

The CCC tries to unload minerals acquired through barter on one of the Nation's stockpiles. Some minerals go into the so-called strategic stockpile, and the Office of Defense Mobilization foots the bill. More often bartered goods go into a supplemental of price-propping stockpile, and the CCC must go directly to Congress for repayment.

The current budget furor is a direct cause of barter's curtailment. The CCC is holding nearly \$350 million worth of minerals it wants to put into stockpiles. But the lawmakers trimmed O. D. M.'s mineral-buying money, and clearly indicated they wouldn't look with favor on CCC requests for reimbursement.

The difficulty involved in disposing of minerals is a major reason why farm officials are arguing for straight crop sales for cash. "Cash sales get rid of our surpluses without a lot of faldral," one official contends. "When crop exports are at a record high, as they are now, it's likely that a good portion will move for dollars."

Barter's backers might overcome most of the CCC's objections to the program if they could induce Congress to widen the agency's outlets for its metal. Congress could do this either by increasing the ODM's mineral-buying money or by granting CCC requests for reimbursement. The outlook for either action is dubious.

But, regardless of Congress' position, barter's backers hold that the CCC is better off holding minerals than crops.

They figure 10,000 tons of wheat with an export price of \$600,000 costs \$67,200 a year just to store. But this wheat could be traded, say, for \$600,000 worth of cadmium, which would require annual storage costs of only \$2,500.

Interior Secretary Seaton notes that a mineral such as cadmium is nonperishable and can be cheaply stored for years. Crops, on the other hand, spoil sooner or later. The Secretary also notes that new crops can be grown each year, but the world's crop of lead, zinc, and other minerals can be harvested only once.

POOH-POOHS CLAIMS

Mr. Seaton pooh-poohs claims of some industry spokesmen that barter actually does more for foreign producers than United States miners.

"I am not aware that barter has unduly encouraged foreign production," he declares. And an aid says, "Even if it has, so what?" This official contends the object is to push domestic-mineral prices higher, and if this is accomplished it makes little difference whether foreign output is stimulated.

"Barter is a terrific instrumentality to keep prices up," this man opines. "It can be used, not only to help the lead and zinc industry, but also to prop domestic mining of tungsten and other metals."

Mr. Seaton, while heartily espousing barter, believes other relief is on the way for the hard-pressed lead and zinc industry. Zinc's price has sagged to 11 cents a pound, while lead has dropped to 14 cents—both the lowest prices since 1954.

Although few observers agree with him, Mr. Seaton insists Congress will pass the administration's long-range minerals program this session. This program recommends, among other things, import duties designed to guarantee a 16-cent price for lead and 14 cents for zinc.

The Secretary also refuses to go along with published reports that lead and zinc stockpiling is due to end this year. He discloses a high-level administration conference will soon determine the future of stockpile purchases of lead, zinc, and other metals. He holds out hope the policymakers will decide to go on buying lead and zinc until prices firm up.

Meanwhile, a so-called Emergency Lead-Zinc Committee has sprung up to put heat on Congress and the administration to bolster the industry. Head of the committee is Charles E. Schwab of Bunker Hill Co. (formerly Bunker Hill & Sullivan Mining & Concentrating Co.), Kellogg, Idaho. A spokesman says the committee represents practically 100 percent of the Nation's lead and zinc producers and will advocate Government props to insure 17-cent lead and 14½-cent zinc—a more liberal program, in other words, than the administration favors.

"We approve the theory of the administration's program," one spokesman says, "but we want to strengthen the underpinning. Higher import duties than the administration proposes are needed to stifle the terrific inflow of foreign lead and zinc."

But this industry spokesman also sees barter as an effective stopgap to help clean up surplus stocks of lead and zinc which he says "are overhanging the market." He points to the sag in lead and zinc prices when barter was suspended as evidence of the program's value.

"We certainly saw the reaction as soon as the barter props were pulled," he comments.

(Mr. McGOVERN asked and was given permission to revise and extend his remarks.)

The CHAIRMAN. The Chair recognizes the gentleman from Minnesota [Mr. JUDD].

Mr. JUDD. Mr. Chairman, I think no one familiar with operations under this program can deny that some grave difficulties have arisen under it, and in some instances the local currencies have been used by our own Government agencies for purposes that have not been approved or even considered by any committee of the House, either legislative or appropriations committee. That ought to be corrected. But, I do not believe that the kind of blanket amendment offered by the gentleman from Missouri,

which would block all uses of these foreign currencies under agreements entered into by the President, is a wise thing to do. It is not the right way to handle the problem. It requires a much more careful study by the committees most familiar with this program. The Committee on Foreign Affairs, where the use of surplus commodities in lieu of dollars in our foreign-aid program originated, is considering it in the next few days.

One thing I am afraid of is that under the Curtis amendment we might really knock out about half of the sales of surpluses, injuring both our agricultural economy and our mutual security program. If you will look at page 8 of the committee report, you will find an example of what I mean. Here is the largest sale, to India, amounting to \$360 million over a 3-year period. Now, what are the rupees received to be used for? If you look at about the 6th column, \$234 million worth of rupees that the Indians paid to buy these commodities, is to be used, under the agreement for loans to India for developing multilateral trade and economic development. Now, what is economic development? That is for the construction, maybe, of dams, dynamos, highways, or hospitals or other projects that will strengthen India's economy or increase her production. India is willing to pay her rupees to buy these American commodities that she needs, with the understanding that substantial portions of those rupees will be loaned to India for important development projects in her country to strengthen her and, we believe, also strengthen the free world's security in that part of the world.

At the bottom of that column on page 8 you will find that 56 percent of all the local currencies we have received from sale of surpluses have gone for this sort of loan program. If we require that every single yen or rupee or whatever it may be, that we receive is to come back to the Appropriations Committee regardless of our agreement with the other country, then I fear pretty close to 56 percent of the American surplus commodities that those countries are now buying would not be bought. It would cut our Public Law 480 program in two. Therefore I do not believe that we ought to adopt without further examination this amendment of the gentleman from Missouri.

The CHAIRMAN. The Chair recognizes the gentleman from Missouri [Mr. CURTIS].

Mr. CURTIS of Missouri. Mr. Chairman, I was anxious to take this time because I want to call the attention of the gentleman from Minnesota to the fact that item (f) is already exempted from the exemption.

Mr. JUDD. I am talking about (g). Mr. CURTIS of Missouri. (f) is the one you read off. I do not know whether you meant (g). (f) is listed.

Mr. JUDD. I meant 104 (g). Mr. CURTIS of Missouri. I thought you were reading (f). Incidentally, section 104 starts out by saying these 10 items of expenditure for foreign af-

fairs are exempted from the regular appropriation procedures. Then there is an exemption to the exemption listing 3 of the 10 items. Mr. ROONEY's amendment adds 3 more, making 6. My amendment added 4 more, making a total of 10. All I was doing with the amendment I sought to substitute instead of saying these 10 are exempt and then saying later that these 10 are exempt from the exemption, is simply to wipe out the basic exemption from the appropriation procedures in the first place. That, in effect, is what is done by my original substitute.

Now, all this talk about hurting the disposal program obviously is not correct, because three of these items are already subject to the Committee on Appropriations, items (d), (e), (f), and items (h), (i), (j), which the gentleman from New York [Mr. ROONEY] wants to add on in his amendment are not found objectionable because it is agreed that his amendment will be accepted. Now, why not go the whole way and exempt items (a), (b), (c), and (g), the only four items remaining not subject to the appropriations procedure? What is so sacred about item (a) "to help develop new markets for United States agricultural commodities on a mutually benefiting basis?" Or about item (b) "to purchase or contract to purchase strategic and critical materials, within the applicable terms of strategic and critical materials, Stockpile Act, and so forth," (c) "to procure military equipment, materials, facilities, and services for the common defense," or (g) "for loans to promote multilateral trade and economic development, and so forth," that exempt them from the appropriations procedures? Are these 4 items so different for the 6 now going through regular appropriation procedures that the basic program will be altered by bringing about this uniformity? An examination shows quite clearly that there is no real difference. All of this emphasizes the point I have made throughout the debate that subjecting the items for which the counterpart funds may be spent to the regular appropriation procedure will in no sense interfere with the contracts for disposing of our agricultural surplus.

My point is that the whole program, of course, should be subject to the Appropriations Committee procedure and it is not going to hurt or alter the program at all. One thing that will be altered is that the Congress will know for a change what these foreign aid programs are going to spend in counterpart funds as we now know what funds which come directly from the United States Treasury are spent for.

The CHAIRMAN. The Chair recognizes the gentleman from Missouri [Mr. BROWN].

Mr. BROWN of Missouri. Mr. Chairman, I believe there is more common ground here between these two points of view than we realize. All of us want the closest possible scrutiny of every dime expended by the Government, whether it is American dollars or foreign currency. And I honestly believe there is actually more supervision than some

may think, or at least as much as the Congress can reasonably exercise.

I have here in my hand an agreement negotiated with Austria and article 1 shows what we are trading them: Wheat, feed grains, cotton, tobacco, lard, canned and dried fruit—\$22 million. Article 2 shows that the first \$5.8 million is to go to help develop new markets for United States agricultural commodities; \$2 million of it is to go to the purchase or contract for the purchase in Austria of materials under section 104 (d). The third part of it \$14½ million for loans to the Federal Government of Austria to promote their economic development.

I should like to ask a member of the Committee on Agriculture whether this is a typical specimen agreement.

Mr. POAGE. I think it is fair to say that that is rather a typical agreement.

Mr. BROWN of Missouri. In this instance, two-thirds of it is going for loans to the Federal Government of Austria. Now the administration of these loans must be handled by the President and his Cabinet, just as we in Congress appropriate money to the Small Business Administration to negotiate loans to small businesses and have to rely on the Small Business Administration to approve or disapprove each individual loan. Congress cannot review each one and approve or disapprove it.

I do not know how far Congress can go in the matter of actually handling details of supervision. Surely, we have to assume that the executive department will work at the job and watch the money, and I think Congress must get reports on how it is spent. Do we get a report or does Congress ever have a chance to see just what these loans are that are made?

Mr. POAGE. Yes, we have a chance to see what they are. They are loans that are made to these governments and the effect is that the Government buys on credit as well as for foreign currencies, although I think in the Austrian agreement, as is true in many agreements, it is provided that there shall be repayment of the loan in American dollars.

The CHAIRMAN. The Chair recognizes the gentleman from Michigan [Mr. MEADER].

Mr. TABER. Mr. Chairman, will the gentleman yield to me for a suggestion?

Mr. MEADER. I should be glad to yield to the gentleman.

Mr. TABER. It seems to me that these counterpart funds ought to be under the control of the Congress. I hope the amendment offered by the gentleman from Missouri [Mr. CURTIS] will prevail. I think it is important.

Mr. MEADER. I thank the gentleman for that statement.

Mr. Chairman, I should like to have the attention of the chairman of the Committee on Agriculture, if I may, to make an inquiry. The gentleman has said that these agricultural surpluses cannot be sold to foreign governments on a straight sale for their currency, but in addition to selling for their currency we must agree in advance what we are going to do with the proceeds of that sale; is that correct?

Mr. COOLEY. I think that is substantially correct.

Mr. MEADER. Just what testimony was taken by the Committee on Agriculture from the Department of State or anybody in charge of this program that we would be unsuccessful in trying to sell these surplus commodities for foreign currencies in a straight sale, with the United States owning the currencies and disposing of them as we saw fit?

Mr. COOLEY. The law requires the administration first to determine that ordinary private trade transactions will not be interfered with and that the commodities going to any recipient country shall be over and above the normal consumption of such commodities from the American market.

We certainly could not make those determinations and I do not think a committee of Congress could make them with as much accuracy or precision as someone in a department of the executive branch of the Government.

Mr. MEADER. That is not quite an answer to my question. I am asking what evidence there was before the Committee on Agriculture that in these sales for foreign currency authorized by Public Law 480 we could not make a straight sale and just get the currency without going further and making an agreement with the Government as to how we were going to spend the money, before we ever got it.

Mr. COOLEY. That depends on the negotiations the President conducts. The twofold purpose of the act is to get rid of the currencies and at the same time help the economies of foreign countries.

Mr. MEADER. I hope someone will answer that question.

The CHAIRMAN. The Chair recognizes the gentleman from Missouri [Mr. JONES].

(Mr. JONES of Missouri asked and was given permission to revise and extend his remarks.)

Mr. JONES of Missouri. Mr. Chairman, it is rather unusual to meet opposition when we have a good program that has been working—I think most people are fairly satisfied with it, and we are only asking to extend the program—and I think it is unfortunate, but in view of their past actions it is understandable, that some of the Members on my left do not trust the President to make these negotiations. I think that is one of the reasons why this amendment has been offered. They do not trust the President.

I think before we start trying to have the investigation and the notice of where all of these funds go we might start with the general foreign-aid bill rather than this bill, which authorizes the sale of agricultural commodities for foreign currencies, the use of which obviates the necessity of our appropriating dollars. We are using these funds for the purpose of carrying on some work in those countries for which we would be appropriating dollars if we did not use these funds. In any sale like this you can always make a better deal and probably sell more of those commodities if you are in a position to do a little trading, a little bargaining there. I say it is better to do it in that instance than just to throw the funds loose when you are appropriat-

ing dollars. I am in favor of and want to see us account for every penny of this money. Particularly, do I want to see the counterpart funds accounted for. But let us begin in the big foreign-aid bill and tie that down before we start to destroy this program which has worked so well.

The CHAIRMAN. The Chair recognizes the gentleman from Iowa [Mr. GROSS].

(Mr. GROSS asked and was given permission to revise and extend his remarks.)

Mr. GROSS. Mr. Chairman, I am not naive enough to believe this program, although I support it, will contribute in an effective way to a solution of the serious economic agricultural problem in this country. I can see no reason in the world why there should not be a checkup in every possible way by Congress on the spending of counterpart funds in foreign countries.

I want to recall to you again that 3 or 4 years ago someone in this Government authorized the turning over of approximately \$1 billion in counterpart funds to the British Government for the purpose of retiring their debt, and about the same time another \$400 million for the production of aircraft in Great Britain. Who authorized the turning over of those funds? I have never seen any publicity on it. I am surprised that the Foreign Affairs Committee has not dug into it. That happened, incidentally, at a time when Anthony Eden was apparently having a tough time getting himself elected to office in Great Britain.

Mr. JUDD. Mr. Chairman, will the gentleman yield?

Mr. GROSS. Yes. The gentleman from Minnesota mentioned counterpart funds in India. I wonder whether any of our counterpart funds in that country are being used to pay for a steel mill reportedly being constructed in India by Russia?

Mr. JUDD. No; I can assure the gentleman that is not being done. But to get back to the gentleman's question of whether sometimes our counterpart funds have been used to help retire a country's debt, that is true, and it was very successful. For example, in Italy they were having dangerous inflation.

Mr. GROSS. Who authorized the turning over of a billion dollars in counterpart funds?

Mr. JUDD. I am not familiar with such a transaction, but if it was done, it was done by the President, under authority specifically granted in the legislation, using the agencies set up to try to stabilize the economies and the currencies of our allies. The most useful thing to do was to take that surplus currency in Italy and retire it, even burn it. It helped stabilize the Italian lira, instead of its going sky high. That was the best use we could make of that counterpart.

Mr. GROSS. I have no doubt that our counterpart funds were also used to help the British embark on all-out trade programs with the Communist countries. You can call that useful if you want to.

The CHAIRMAN. The Chair recognizes the gentleman from California [Mr. HAGEN].

Mr. HAGEN. Mr. Chairman, I would like to commend the chairman of the committee on his presentation and on the report which accompanies the bill.

Mr. Chairman, I wish to endorse the value of this legislation to our American farm community as a proper method of handling surplus production in a non-competitive manner and its value to our foreign policy as an economical method of strengthening our allies and making new friends.

I am particularly interested in the question of the scope of this program in terms of definition of the kinds of commodities which we will dispose of hereunder. As a member of the House Agriculture Committee I heard testimony on this subject during consideration of this legislation and participated in discussion of the same during open and closed hearings on this bill. It was the conclusion of this committee that the disposal operations were not intended to be limited only to those agricultural products which were held in fee or under some security arrangement by the Commodity Credit Corporation. Rather the program would be used with respect to any farm commodity which was in surplus supply in this country by any reasonable definition and with respect to which such disposal would reasonably tend to develop new and expanded commercial markets abroad. It was stated that disposal operations of such broad character would result in the kind of permanent expansion of our foreign trade which would solidify our position in the world of nations.

The report of the committee—Report No. 432—accompanying H. R. 6974 verifies the foregoing conclusions.

At page 10 of the report, under the heading "Construction of the Act," the statement is made:

What are these benefits sought to be achieved? One need look no further than the title of the act itself to discover the first, and in the opinion of this committee, the most important tangible benefit Congress had in mind: Development abroad of new and expanded commercial markets for American agricultural products.

Again on page 11 of the report reference is made to this question under the subject caption "Development of New Markets." Here the statement is made:

It appears to the committee that the effectuation of the policy of Congress with respect to market development under Public Law 480 will require not only the allocation of a greater portion of available foreign currencies to this purpose but also the use of those funds in additional ways, and a more liberal interpretation by the Secretary of Agriculture of commodities available for sale under title I.

At a later point on page 11 of the report the statement is made:

The objective of developing new markets and future profitable trade in United States agricultural commodities and their products can be furthered also by making available to other countries—as contemplated by the general purposes of Public Law 480—commodities and products of a type which might reasonably be expected to find a substantial volume of profitable commercial demand in the country to which they are sent. Effectively to stimulate and facilitate foreign trade in these commodities and

products and to further the policy of Congress as declared by Section 2 of the act necessitates full recognition by the Secretary of Agriculture and other administrative officials of the intent of Congress to make any surplus agricultural commodity as defined in the act eligible for sale under the authority of the act, whether or not the Commodity Credit Corporation owns or has acquired stocks of such commodities under price support programs.

At page 13 of the report under the caption "Fruit and Other Commodities" additional evidence for my conclusions is found in the statement:

The committee also concurs in the position of the Senate committee with respect to the application of title I to fruit and other commodities as expressed on pages 4 and 5 of Senate Report No. 188. The committee believes that substantial market potential exists for many non-CCC inventory items such as poultry and dairy products and other livestock products. This measure will permit the undertaking or the continuation of programs such as the poultry program which was started in Germany last year and has already demonstrated possibilities for establishing entirely new markets which never before existed for United States agricultural products.

I will conclude by explaining the committee reference at the bottom of page 11 of the report to the statute's definition of surplus agricultural commodity. Section 106 of the Agricultural Trade Development and Assistance Act defines such surplus agricultural commodity to mean:

Any agricultural commodity or product thereof, class, kind, type, or other specification thereof, produced in the United States, either privately or publicly owned, which is or may be reasonably expected to be in excess of domestic requirements, adequate carryover, and anticipated exports for dollars, as determined by the Secretary of Agriculture.

On the basis of our discussion in the committee I conclude that this definition does not require any inquiry into the question of whether or not the commodity commands a prescribed parity price in the domestic market as a condition of Public Law 480 eligibility. Rather the question is purely one of surplus supply in excess of domestic requirements and anticipated foreign sales plus a reasonable carryover. If this definition is applied in this fashion the 480 program—as it should be applied—will apply to commodities which now have straitjacket parity formulas for participation in marketing order and marketing agreement programs. I am certain that this was the intent of our committee and will be the intent of this Congress with the passage of this legislation. It is obvious that no parity criteria would apply to a definition which refers to commodities which may be reasonably expected to be in surplus.

(Mr. HAGEN asked and was given permission to revise and extend his remarks.)

The CHAIRMAN. The Chair recognizes the gentleman from Illinois [Mr. SPRINGER].

Mr. HARVEY. Mr. Chairman, I ask unanimous consent that the time allotted to me may be used by the gentleman from Illinois [Mr. SPRINGER].

The CHAIRMAN. Without objection, it is so ordered.

There was no objection.

Mr. SPRINGER. Mr. Chairman, I thank the gentleman from Indiana [Mr. HARVEY] for his courtesy.

I would like to ask my colleagues here how many times do we have to march up the hill and down? May I say for those whose recollection is not too long that so far as the effect of the amendment is concerned, we had exactly the same amendment before us when we debated this bill last week. It is exactly the same amendment as far as the effect is concerned as the gentleman from New York [Mr. ROONEY] presented. Let me talk just a second about the amendment which my distinguished colleague, the gentleman from Missouri intends to introduce. It is in different language, but it is exactly the same amendment so far as the effect is concerned as the one the gentleman from New York [Mr. ROONEY] introduced last week. It is exactly the same in effect as the amendment which is now pending as an amendment to the amendment of the gentleman from New York [Mr. ROONEY] today.

Mr. CURTIS of Missouri. Mr. Chairman, will the gentleman yield?

Mr. SPRINGER. I yield for a question.

Mr. CURTIS of Missouri. I simply want to confirm what the gentleman is saying. It is true that the purport of this amendment is just as the gentleman has stated. It is the amendment that the gentleman from New York [Mr. ROONEY] offered and it was debated before.

Mr. SPRINGER. But the point is this amendment was decisively defeated last week. We talked about this, as I recall, for some three hours. The amendment which is now pending, as an amendment to the amendment offered by the gentleman from New York [Mr. ROONEY] and the amendment which the gentleman from Missouri intends to introduce has exactly the same effect as the amendment pending now. So I want to be sure the Members understand what these amendments are about. I talked with the parliamentarian and I might say to my distinguished colleague from Missouri that I had intended to object to both amendments, but I am informed that because the wording is different it is not possible for me to object to the amendments as being the same ones that we have already gone over before. I want to tell you what the parliamentary situation is so that you will have an understanding of what his amendments are about.

I would like to answer the inquiry of the gentleman from Michigan [Mr. MEADER] as to why we just cannot take these foreign currencies and do what we want with them. When we enter into these agreements—take India as an example, when the administrator of the foreign service program under this law, talked with the Government of India a few years ago, India did not want to enter into any agreement with us because it created expansion of their currency. In order to keep their currency stabilized, the expansion which was created had to be controlled and the expenditures had to be in such a way

that they would not be a threat of inflation to the Government of India. That is one reason and one example that I can give to you as to why these countries have to know how this money is going to be spent. If we were to take a large sum of money and enter into contracts with other countries to use those currencies in competition with their own trade—and, there are any number of things that we could do, we could buy arms and we could do many things—that would be a threat to their economy. They realize that. But, we were able to enter into a contract so that the moneys which were generated as a result of this, that is the number of rupees, and the expansion of their country, was not a danger to their economy and there was no threat of inflation. As you well know, inflation has been the big problem in India ever since the British left India.

May I just talk for a second about the matter raised by the gentleman from Iowa [Mr. GROSS] and that is the check-up on the expenditures. I hope that the House understands that the gentleman from North Carolina, the chairman of this committee, has explained and has read from the budget facts which indicate that there is a checkup of these funds. I think I am right in that; am I not, Mr. Chairman?

Mr. COOLEY. I believe the gentleman is correct.

The CHAIRMAN. The Chair recognizes the gentleman from Michigan, [Mr. HOFFMAN].

Mr. HOFFMAN. Mr. Chairman, I yield my time back to the Chair.

The CHAIRMAN. The Chair recognizes the gentleman from Minnesota, [Mr. AUGUST H. ANDRESEN].

(Mr. HOEVEN asked and was given permission to yield his time to Mr. AUGUST H. ANDRESEN).

The CHAIRMAN. The gentleman from Minnesota is recognized for 4 minutes.

[Mr. AUGUST H. ANDRESEN addressed the Committee. His remarks will appear hereafter in the Appendix.]

The CHAIRMAN. The Chair recognizes the gentleman from Texas [Mr. POAGE].

Mr. POAGE. Mr. Chairman, I want to try to clear up 1 or 2 misapprehensions.

In the first place with regard to this money we are talking about, most of it is not counterpart funds at all. It does not become counterpart funds until after somebody pays it back to the United States. For a long time the United States has got somebody else's currency. That is the very reason that we cannot accept this Curtis amendment, because it is not a matter of dealing with money that has been paid back; it is an entirely different matter. We are faced with the question of whether or not we are going to require the Appropriations Committee must pass on every item of every agreement before the agreement is made.

We have already accepted the Rooney amendment which will authorize us through the Appropriations Committee

to appropriate the money after it comes into the Treasury.

The Curtis amendment would keep us from making agreements with these foreign countries. It is not simply the matter of goods; it is not even the fact that we take their currency in payment; it is the fact that we enable them to make an agreement with us whereby we commit ourselves as to how we will use that money over a substantial period of time, which has enabled us to make as many sales as we have.

As the gentleman from Illinois so well pointed out a few moments ago, no nation on earth can afford to let some foreign power hold a large block of its own currency without submitting itself directly to the complete economic control of the power holding its currency; and that is what the Curtis amendment would require. It would require that that foreign currency be under the complete control of the Appropriations Committee here in the House. We must either require the purchasing country to turn over its currency without any assurance as to how the Appropriations Committee will spend it, or we must admit that the Appropriations Committee would be a part of the negotiating process.

This bill as it has been in operation for the last 3 years allows the President of the United States to enter into agreements with these foreign countries as to the purpose for which we will use those foreign currencies, and the biggest part of it has been used to make loans back to those same countries. Those loans are made in foreign currencies, but about three-quarters of them are repayable in American dollars. It is when we get the dollars back that they come under the control of the Appropriations Committee; and we want them to then come under the control of the Appropriations Committee.

The Curtis amendment should not be in the bill.

The CHAIRMAN. The Chair recognizes the gentleman from North Carolina [Mr. COOLEY] to close debate.

Mr. COOLEY. Mr. Chairman, after all of this brilliant debate, I would like to call the attention of the members of the committee to this language in the budget message:

Foreign currencies, generated by the sale of agricultural surplus commodities under title I of the Agricultural Trade Development and Assistance Act of 1954, may be allocated to the Department of Defense to finance the construction of housing for our military personnel and families stationed abroad. The Department of Defense will pay the Commodity Credit Corporation in dollars, as authorized by Public Law 161, approved July 15, 1955, from appropriations otherwise available to pay quarters allowances to military personnel occupying the housing, for the foreign currencies used to provide this housing.

How could it possibly be said by Members of the House that Armed Services Committee or the Appropriations Committee are not aware of this expenditure of money? Here are the estimates in dollars and cents presented in the budget in the manner of all budget estimates. It is estimated that in the

year 1958 we will use \$67,532,143 for military housing and other direct defense purposes abroad; in 1957 we will use about \$71 million.

Furthermore, after all of this controversy about what this money is used for, here in the budget are items set forth on page 1156 of the budget: Foreign currency information schedules: Foreign Agricultural Service, General Services Administration, Interservice Activities, Defense Department, mutual security program, State Department and United States Information Agency.

Mr. Chairman, all of this is public information and is available in the budget for the fiscal year 1958 and if any Member is anxious to obtain the information it is available in this document.

Mr. FULTON. Mr. Chairman, will the gentleman yield?

Mr. COOLEY. I yield to the gentleman from Pennsylvania.

Mr. FULTON. Actually under the provisions of the statute any department of Government that uses the money generated under this program must pay into the Commodity Credit Corporation the amount they are saving in their own appropriations. So it is really under the Appropriations Committee.

Mr. COOLEY. The gentleman is correct.

(Mr. COOLEY asked and was given permission to revise and extend his remarks.)

The CHAIRMAN. All time has expired. The question is on the substitute amendment offered by the gentleman from Missouri [Mr. CURTIS] to the amendment offered by the gentleman from New York [Mr. ROONEY].

The substitute amendment was rejected.

The CHAIRMAN. The question is on the amendment offered by the gentleman from New York [Mr. ROONEY].

The amendment was agreed to.

Mr. THOMPSON of Louisiana. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. THOMPSON of Louisiana: Page 2, following line 3, add the following new section:

"Sec. 2. The Agricultural Trade Development and Assistance Act of 1954 is amended by adding at the end thereof the following new section:

"Sec. 306. (a) The Commodity Credit Corporation is authorized, on such terms and under such regulations as the Secretary may deem in the public interest, to donate raw cotton, and mattress ticking, sheeting, and blanketing made of cotton, to such State, Federal, or private agency or agencies as may be designated by the proper State or Federal authority and approved by the Secretary, for use in the United States in assisting needy persons, and in charitable institutions, including hospitals, to the extent that needy persons are served.

"(b) The Secretary, before making any donations under this act, shall obtain such assurances as he deems necessary that—

"(1) such raw cotton and such cotton products will be used by the recipient agency in a program under which such cotton and cotton products will be processed into finished mattresses, sheets, and blankets and distributed among needy persons,

"(2) the recipients of such raw cotton and such cotton products will not diminish their normal expenditures for cotton and

such cotton products by reason of such donation.

"(c) (1) In order to facilitate the appropriate disposal of such raw cotton and cotton products, the Secretary may from time to time announce the quantity thereof which will be available for distribution.

"(2) The Commodity Credit Corporation may pay, with respect to cotton and cotton products disposed of under this act, the cost of acquiring such commodities (unless procured from the stocks of such Corporation), and the cost of reprocessing, packaging, transporting, handling, and other charges accruing up to the time of their delivery to a Federal agency or to the designated State or private agency.

"(3) For the purposes of this act, the terms "State" and "United States" include the District of Columbia, Puerto Rico, and each Territory or possession of the United States."

Mr. AUGUST H. ANDRESEN. Mr. Chairman, a point of order.

The CHAIRMAN. The gentleman will state it.

Mr. AUGUST H. ANDRESEN. Mr. Chairman, I make the point of order against the amendment that it is not germane to any part of this bill. This bill reads "To extend the Agricultural Trade Development and Assistance Act of 1954, and for other purposes." The bill that we are considering here deals strictly with foreign countries of the world in developing export markets for surplus agricultural products and providing for assistance to those countries. Now, I cannot read into this bill or into existing law any authority for our Government to deal with commodities and purposes indicated in the amendment proposed by the gentleman from Louisiana. Therefore I make the point of order against the amendment.

Mr. THOMPSON of Louisiana. Mr. Chairman, may I be heard on the point of order?

The CHAIRMAN. Yes.

Mr. THOMPSON of Louisiana. This amendment creates a new section in the bill under consideration, and I have been told from what I think is competent authority that it is germane to the intent of the bill. And I might add my own belief that if it applies, as the gentleman contends, to the foreign aspects under Public Law 480, then certainly I think it is germane to hand over some of these commodities where it will do some good in our own country.

Mr. AUGUST H. ANDRESEN. Mr. Chairman, will the gentleman yield?

Mr. THOMPSON of Louisiana. I yield to the gentleman from Minnesota.

Mr. AUGUST H. ANDRESEN. I might say to the gentleman that we had that very point up before the Committee on Agriculture. It is receiving sympathetic consideration. We are now distributing our surpluses, to people in need throughout the United States, milk, dairy products, for school lunches, hospitals, and to needy people.

Mr. THOMPSON of Louisiana. I know of the gentleman's great work in this matter, and my amendment is an attempt to expedite that great work.

Mr. COOLEY. Mr. Chairman, will the gentleman yield?

Mr. THOMPSON of Louisiana. I yield to the gentleman from North Carolina.

Mr. COOLEY. I would like to say that the bill we have before us, H. R. 6974, is a bill to extend the Agricultural Trade Development and Assistance Act of 1954, and for other purposes, and the first division states that the Agricultural Trade Development and Assistance Act of 1954, as amended, is amended as follows. Now, I understand the gentleman proposes to further amend the Agricultural Trade Development and Assistance Act of 1954. While the act already provides that food and feed might be made available under certain circumstances, you now are seeking to provide that fiber might be made available to charity and other needy persons within the continental limits of the United States.

Mr. THOMPSON of Louisiana. That is merely one commodity in addition.

Mr. COOLEY. And that is added to the feed and the seed or whatever else we have in surplus.

Mr. THOMPSON of Louisiana. The gentleman is correct.

Mr. COOLEY. I submit, Mr. Chairman, though I am not authorized to speak for the committee, it seems to me that the gentleman's amendment is entirely germane and in order and meritorious, and I personally would like to see it adopted.

Mr. FULTON. Mr. Chairman, may I be heard on the point of order?

The CHAIRMAN. Yes.

Mr. FULTON. Title II and title III of the original act specifically provide that there is to be distributed among the needy people through charitable institutions and various other institutions in the United States agricultural commodities. Cotton is certainly an agricultural commodity. It comes within the general purview of the act on distribution both at home and abroad, and this particular legislation is to cover the basic act on the distribution end. So I believe the gentleman is completely in order, and I agree with the chairman of the Committee on Agriculture.

The CHAIRMAN (Mr. HAYS of Arkansas). The Chair is prepared to rule.

The act which the bill proposes to amend and extend contains a provision relating to the subject matter and, as pointed out, is sufficiently broad and does cover the material offered in this amendment. The language is specific that notwithstanding the foregoing the Corporation on such terms and conditions as the Secretary may deem in the public interest shall make available any farm commodity or product thereof owned or controlled by it in relieving distress.

The Chair holds the amendment is germane and overrules the point of order.

Mr. THOMPSON of Louisiana. Mr. Chairman, I shall not burden this committee in explaining this amendment. It explains itself. The mere reading of it by the Clerk tells you what it does.

The great Committee on Agriculture has labored long this year and for many years past in trying to make proper disposition of what we have in surplus in this country, and in foreign lands to help our State Department in our relations with friendly countries.

I think no one would be in disagreement with extending that type of charity to our people here at home where a great need exists, even in my district and perhaps yours. I hope it does not exist in yours any more than it does in mine, but I have seen over the years so many of our families at home who read about the great generosity of Uncle Sam overseas who are actually in trouble and in need of these things that we call basic and fundamental to a decent standard of living.

This is just as important to these poor, indigent people as the distribution of food which is in surplus. This concerns sheeting and mattresses and cotton for the purpose of making mattresses, which would not only help to reduce our surpluses but we would also do this great good that I know can be done in many areas of our country where the need exists.

Mr. FULTON. Mr. Chairman, will the gentleman yield?

Mr. THOMPSON of Louisiana. I yield to the gentleman.

Mr. FULTON. May I compliment the gentleman on his amendment; because, if we are going to be fair, cotton should be included along with other surplus agricultural products included in Public Law 480. I might say to the gentleman, that we have 611,000 needy people in Pennsylvania who are receiving free surplus food from the Federal Government. It has been a fine program as far as our cities and towns in Pennsylvania are concerned.

Mr. THOMPSON of Louisiana. I thank the gentleman.

Mr. GATHINGS. Mr. Chairman, will the gentleman yield?

Mr. THOMPSON of Louisiana. I yield.

Mr. GATHINGS. Mr. Chairman, I compliment the gentleman on his amendment. This amendment was presented to our Committee on Agriculture last Saturday. The gentleman did a splendid job. I trust the amendment will be agreed to.

Mr. THOMPSON of Louisiana. I thank the gentleman. I would ask the chairman of the great Agricultural Committee if he would accept the amendment.

Mr. COOLEY. Personally I am very much in favor of the amendment and hope it will be adopted. And I hope the Secretary will provide a very worthwhile program pursuant to the provisions of the amendment.

Mr. LONG. Mr. Chairman, will the gentleman yield?

Mr. THOMPSON of Louisiana. I yield to my colleague.

Mr. LONG. Mr. Chairman, I would like to compliment my colleague from Louisiana on the amendment he has offered and associate myself with him in the remarks he has just made, and say that I am very much in favor of the amendment.

Mr. THOMPSON of Louisiana. I thank the gentleman.

Mr. POAGE. Mr. Chairman, will the gentleman yield?

Mr. THOMPSON of Louisiana. I yield.

Mr. POAGE. I want to ask the gentleman if he does not apply to cotton

exactly the same principle that we applied last year in the Bailey bill to wheat and to corn, which are edible commodities? We apply in the gentleman's amendment the same principle to cotton.

Mr. THOMPSON of Louisiana. That is correct. It serves as great a purpose as food does in many cases.

Mr. POAGE. Exactly. This Congress last year authorized the Commodity Credit Corporation to pay the expenses of processing foods into a form that would be usable in the kitchen and authorized the CCC to pay the expense of processing cotton into forms usable in the home. The purpose is exactly identical and it should be easy to further the program of using these surpluses for our American people.

Mr. THOMPSON of Louisiana. I am asking the committee not to indulge me, but to help the needy people in our country, by going along with this amendment.

Mrs. SULLIVAN. Mr. Chairman, I offer an amendment to the amendment offered by the gentleman from Louisiana.

The Clerk read as follows:

Amendment offered by Mrs. SULLIVAN, of Missouri, as an amendment to the amendment offered by Mr. THOMPSON of Louisiana:

Page 2, after line 3, insert:

"Sec. 2. Title III of such act is amended by adding at the end thereof the following new section:

"SEC. 306. (a) The Secretary of Agriculture (in this section referred to as the "Secretary") is hereby authorized and directed to promulgate and put into operation, as quickly as possible, a program to distribute to needy persons in the United States through a food stamp system a portion of the surpluses of food commodities acquired and being stored by the Federal Government by reason of its price-support operations or other purchase programs.

"(b) In carrying out such program, the Secretary shall—

"(1) distribute surplus food made available by the Secretary for distribution under this program only when requested to do so by a State or political subdivision thereof;

"(2) issue, or cause to be issued, pursuant to section 3, food stamps redeemable by eligible needy persons for such types and quantities of surplus food as the Secretary shall determine;

"(3) distribute surplus food in packaged or other convenient form on the local level at such places as he may determine;

"(4) establish standards under which, pursuant to section 3, the welfare authorities of any State or political subdivision thereof may participate in the food stamp plan for the distribution of surplus foods to the needy;

"(5) consult the Secretary of Health, Education, and Welfare and the Secretary of Labor, in establishing standards for eligibility for surplus foods and in the conduct of the program generally to assure achievement of the goals outlined in the first section of this act; and

"(6) make such other rules and regulations as he may deem necessary to carry out the purpose of this act.

"(c) The Secretary shall issue, to each welfare department or equivalent agency of a State or political subdivision requesting the distribution of surplus food under section 2 (1), food stamps for each kind of surplus food to be distributed, in amounts based on the total amount of surplus food to be distributed and on the total number of needy persons in the various States and political subdivisions eligible to receive such food. The food stamps shall be issued by

each such welfare department or equivalent agency, to needy persons receiving welfare assistance, or in need of welfare assistance but ineligible because of State or local law, and shall be redeemable by such needy persons at local distribution points to be determined by the Secretary under section 2 (3).

"(d) Surplus food distributed under this act shall be in addition to, and not in place of, any welfare assistance (financial or otherwise) granted needy persons by a State or any political subdivision thereof.

"(e) In any one calendar year the Secretary is authorized to distribute surplus food under this act of a value of up to \$1 billion, based on the cost to the Federal Government of acquiring, storing, and handling such food.

"(f) The distribution of surplus food to needy persons in the United States under this act shall be in place of distribution to such needy persons under section 32 of the act entitled "An act to amend the Agricultural Adjustment Act, and for other purposes," approved August 24, 1935 (7 U. S. C., sec. 612c), as amended, and section 416 of the Agricultural Act of 1949, as amended: *Provided, however*, That nothing in this act shall affect distribution of surplus food presently provided for in such sections other than to needy persons as defined in section 7 of this act.

"(g) For the purposes of this act, a needy person is anyone receiving welfare assistance (financial or otherwise) from the welfare department or equivalent agency of any State or political subdivision thereof, or who is, in the opinion of such agency or agencies, in need of welfare assistance but is ineligible to receive it because of State or local law.

"(h) The Secretary, in consultation with the Secretary of Health, Education, and Welfare and the Secretary of Labor, shall make a study of, and shall report to Congress within 6 months after the date of enactment of this act, on the feasibility of, the costs of, and the problems involved in, extending the scope of the food stamp plan established by this act to include persons receiving unemployment compensation, receiving old-age and survivors insurance (social security) pensions, and other low-income groups not eligible to receive food stamps under this act by reason of section 7 of this act.

"(i) There are hereby authorized to be appropriated, out of any money in the Treasury not otherwise appropriated, such sums as may be necessary to carry out the purposes of this act."

Mrs. SULLIVAN (interrupting the reading of the amendment). Mr. Chairman, I ask unanimous consent that the amendment be considered as read, because the wording of this amendment was in a bill I introduced, H. R. 949, and hearings have been held in the committee on that bill.

The CHAIRMAN. Is there objection to the request of the gentlewoman from Missouri?

There was no objection.

Mr. HOEVEN. Mr. Chairman, I make the point of order against the amendment that it is not germane to the subject under discussion. It imposes upon the Secretary of Agriculture new duties not contemplated in this act, and sets up a plan entirely extraneous and foreign to the subject matter of this bill.

Mrs. SULLIVAN. Mr. Chairman, may I be heard on the point of order?

The CHAIRMAN. The Chair will hear the gentlewoman from Missouri.

Mrs. SULLIVAN. Mr. Chairman, I have been advised I will probably have to bow to the point of order, but before doing so I should like to say that while

this amendment may not perhaps be germane from a strictly technical application of the rules of the House, it certainly was not dragged out of thin air and it is certainly relevant. It amends the law of 1954 which incorporates the present program for the distribution of surplus food to needy persons in this country. While it is true that the present bill contains provisions dealing only with the foreign distribution of this surplus, it is relevant, I think, and practical on this question of feeding our own hungry in this country.

May I ask the gentleman from Iowa to reserve his point of order until he has heard my statement?

Mr. HOEVEN. I reserve the point of order, Mr. Chairman.

Mrs. SULLIVAN. Mr. Chairman, my amendment consists, almost verbatim, of my bill H. R. 949, to establish a food stamp plan for the distribution of up to \$1 billion in surplus food a year to needy persons in this country.

Most of the Members, I believe, are generally familiar with my bill, since I have been pressing here for it for more than 3 years and have enlisted the active support and cosponsorship of numerous Members of the House and several Members of the Senate. Hearings on this bill, or on various versions or approximations of it, have been held at various times before both Agriculture Committees and also, in connection with the social security program, before the House Ways and Means and the Senate Finance Committees.

So this amendment which I submit today is not some new and unfamiliar proposal. The committee knows all about this idea. It has studied it several times. But it has failed to act on it.

I think the time is now here when we can no longer remain idle or silent over the desperate plight of millions of our own American citizens who are not now receiving adequate diets—who do not—who simply do not—get enough to eat.

These are primarily the people on any form of public assistance—those on general assistance administered by the various States, and those on any of the joint Federal-State programs for old age assistance, aid to the blind, aid to dependent children, and so on.

These people are hungry in the midst of plenty. Statistically, our country was never so prosperous. Yet we have at least 5 million Americans who go to bed at night hungry, dieting not to lose weight but because they cannot afford enough food.

And the food is here, in mountainous piles. The warehouses bulge with it. Our Government is desperate to give it away as fast as possible.

But all the emphasis is on giving it away abroad, as this bill provides.

Yes; we do distribute some of it to needy persons in this country. But the program under which it is distributed here is tragically inadequate. Some States and the District of Columbia do not participate in it at all; others find it so horribly expensive to distribute the food under the program of the Department of Agriculture now in effect that they say it costs them more to distribute

this surplus to some of their needy than the food itself is worth.

If we can use this food to feed needy persons all over the world, then I say we can also spare some of it, and afford the cost of distributing some of it, to every needy American.

I am speaking now of the certified cases of need, those on public welfare. There are many in every State. We are not getting this food to most of those needy. I repeat that we are not under the present program helping most needy in most States.

In some States, vast quantities are handed out to all who register for it, depending upon size of family and the amount of income. In others, some of this food goes just to a few families, comparatively, in areas of excessive joblessness.

Mr. COOLEY. Mr. Chairman, will the gentlewoman yield?

Mrs. SULLIVAN. I yield.

Mr. COOLEY. I would just like to point out according to the record I have here, you have 10,366 dependent people receiving aid in the State of Missouri and the State of Mississippi has 257,869. I wonder why under the law, and since the food is now available, why is it that the needy people are not receiving it at the present time?

Mrs. SULLIVAN. Because it is so terrifically expensive for many of the States to participate and to distribute it. You mentioned that in Missouri we have 10,000 who are receiving aid. That is true, but we have 232,000 who are on the relief rolls and who are getting none of it.

Mr. COOLEY. Are they not eligible for relief and are they not eligible to receive these commodities?

Mrs. SULLIVAN. No, because in order to be eligible they have to be in distressed areas, and the State government has to ask for these commodities and distribute them.

Mr. COOLEY. I agree with the gentlewoman. I notice on the same chart that I hold in my hand that my own State of North Carolina is not even participating in the program at all. I know we have some needy people in the State of North Carolina. Just why are we not participating, I am not quite sure. But, apparently, the State of Missouri is participating and I wonder why it is that they cannot participate on a broader scale.

Mrs. SULLIVAN. Because they cannot afford to do it. That is the answer that I repeat to the gentleman.

Mr. COOLEY. In other words, the distribution of the commodities is the problem.

Mrs. SULLIVAN. That is right.

Mr. COOLEY. I would like to say that I am thoroughly in sympathy with what the lovely lady is trying to do, and I would be very glad to work on legislation dealing with that problem before our Committee on Agriculture. I know you have legislation pending there, but I doubt the propriety of it in this bill.

Mr. FULTON. Mr. Chairman, will the gentlewoman yield?

Mrs. SULLIVAN. I am glad to yield to the gentleman.

Mr. FULTON. May I say to the chairman of the Committee on Agriculture that the gentlewoman from Missouri has a real point because we, in Pennsylvania, went down to the Secretary of Agriculture and set programs up. But the real trouble is that while the Department of Agriculture is willing to ship it in, and while they have to store it anyhow at its source point, they will not pay the delivery expenses. The real trouble is that neither the Secretary of Agriculture nor the Department of Agriculture will help pay the storage costs on delivery to the distribution points. So in many cases it stays there for 2 weeks or 3 weeks or a month. There is where the cost which the gentlewoman from Missouri points out have to be borne by the local agencies and cannot be taken care of in their budget. Why cannot there be by the Department of Agriculture local storage points put, for example, in Missouri at Federal expense, and in Pennsylvania, because we, in Pittsburgh, are closing the program for the same reason that the gentlewoman cites.

Mr. COOLEY. I would like to point out that in the State of Pennsylvania you have 611,000.

Mr. FULTON. Yes 611,000.

Mr. COOLEY. In the State of Pennsylvania you have 611,000 and that is twice as many people as they have on relief in Puerto Rico.

Mr. FULTON. Yes. I do not see any reason in the world why the Department of Agriculture cannot arrange to have all of these foods stored in the area where they are being consumed.

Mrs. SULLIVAN. May I point out to the gentleman from Pennsylvania that you have 611,000 who are receiving surplus food now, but you have 215,000 who are on the relief rolls, but that does not mean that these people on the relief rolls are getting this food.

Mr. FULTON. It does, because in Pennsylvania we give it to the department of public assistance on certification, as well as by local boards which are set up by the citizens on a voluntary basis. We have worked with our labor unions and have a very fine program worked out for Pennsylvania. As the chairman of the Committee on Agriculture points out, if the Secretary of Agriculture can set up local storage points at points other than the origination of the surplus, then they can be distributed without extra cost to the Government of the United States.

I do not see why it cannot be done. I compliment the gentlewoman from Missouri.

Mrs. SULLIVAN. In conclusion, I wish to call the Chair's attention, on the matter of germaneness, to the reference in Cannon's Precedents, volume 8, section 2941:

An act continuing and reenacting an existing law is subject to amendment modifying the provisions of the law carried in the act.

The Committee overruling the decision of the Chair held that an amendment germane to existing law is germane to a bill proposing its reenactment.

I submit that reference to the Chair for its consideration.

Mrs. KELLY of New York. The gentlewoman does not concede the point of order, does she?

Mrs. SULLIVAN. No; I do not.

Mr. BROWN of Missouri. Mr. Chairman, may I be heard briefly on the point of order?

The CHAIRMAN. The Chair will hear the gentleman briefly.

Mr. BROWN of Missouri. Mr. Chairman, I see very little difference in principle here between amending this act to provide foodstuffs for needy persons and the amendment offered by the gentleman who proposed the amendment to provide cotton products for needy people. It seems to me the principle is the same in both cases, and foodstuffs are in much more total surplus than cotton in this country. In the development of trade and assistance in agricultural products surely foodstuffs deserve greater consideration.

The CHAIRMAN (Mr. Hays of Arkansas). The Chair is prepared to rule.

The Chair calls attention to the fact that the amendment offered by the gentlewoman from Missouri is offered as an amendment to the pending amendment offered by the gentleman from Louisiana and that that amendment is confined to cotton. The amendment offered by the gentlewoman from Missouri goes beyond that and includes other commodities, and for that reason would not be germane as an amendment to the amendment.

The Chair has not weighed the other matters that were mentioned by the gentlewoman, but it seems to the Chair that the arguments advanced and the points mentioned would be made perhaps in connection with an amendment to the bill. As an amendment to the amendment, however, the Chair is constrained to hold that since the amendment is limited to cotton and the amendment to the amendment includes other foodstuffs it would not be in order.

Mrs. SULLIVAN. Then, Mr. Chairman, I ask unanimous consent to withdraw this amendment to the amendment offered by the gentleman from Louisiana, and offer my amendment at a later time.

The CHAIRMAN. The parliamentary situation is that the amendment has been declared out of order. It is not pending and could not be offered until the other amendment is disposed of.

The question is on the amendment offered by the gentleman from Louisiana.

The question was taken; and on a division (demanded by Mr. AUGUST H. ANDRESEN) there were—ayes 71, noes 61.

Mr. HOEVEN. Mr. Chairman, I demand tellers.

Tellers were ordered, and the Chair appointed as tellers Mr. THOMPSON of Louisiana and Mr. HOEVEN.

The Committee again divided, and the tellers reported that there were—ayes 95, noes 85.

So the amendment was agreed to.

Mr. WHITTEN. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I voted for the amendment that just passed, but I would like to point out, once again, certain basic facts to the membership of this body. That amendment sounds good. I voted for it, but really it will be of very little

benefit to indigent, nationwide, and it will do very little, if anything, to meet our cotton problem.

But, I take this floor once again, because of the line of debate that has always come up with Public Law 480 and point out the fact that for a number of years that while our Government had complete authority to sell commodities the Government owned, in world trade at competitive prices, the Department of Agriculture refused to use such authority. For many years we followed such course, holding our commodities above world markets, paying storage, while other countries sold their products. During that same period, through Public Law 480 and before that through other foreign-aid programs, we were giving away the commodities we would not sell for dollars. That policy caused the huge buildup of commodities in our Government's hands.

The membership is familiar with the course we had to take of finally demanding that these commodities be offered for sale for dollars. Our committee finally having to set up a sales organization in the CCC and we went so far as to say orally we would not recommend funds to control acreage on any commodity we refused to sell.

As a result we started offering Government stocks for sale for dollars in world trade. Sales have been tremendous. Last January for the first time we offered cotton for sale in world trade at competitive prices, and to date we have sold 8 million bales of cotton. Now, it is true that the books show we did not recover all the money we had invested, much of which was storage costs while we would not sell, but we did recover about 80 percent of our investment. Make no mistake under this bill, you give cotton away under Public Law 480, and it costs you a full \$1 for each \$1 worth of cotton the Government owns. Under the sales program you lose not more than one-third of the investment and many times less. This program is good but only if it is in addition to normal sales. Let us see what we have done through sales. Since we started selling commodities before giving them away, the Department of Agriculture sold last year \$2.6 billion of commodities for cash. It is estimated under the present sales program that we will sell something like \$3.9 billion worth of commodities for cash in this year.

Now, why do I make this point?

I am afraid the Department may once again return to giveaway instead of sales. Not only would the taxpayers lose but so would the farmers.

The answer to the farm problem is not getting rid of surpluses. The answer, as I see it, is in regaining our markets, and we can regain the markets only as we sell competitively for dollars through normal channels. We can never regain markets if we let Public Law 480 be substituted for normal sales through regular channels.

Now, as to this cotton amendment just adopted, here is the record as of today. Notwithstanding the fact that we have sold 8 million bales of cotton for cash, notwithstanding the fact that we are

down to a carryover of about 6 million bales, notwithstanding the fact that we are now entitled to additional acreage in the new year, because supplies will be under that level, the Department is dragging its feet on getting out the catalog to show what cotton we have for sale so that the buyers can buy our cotton for export to foreign markets.

Because of this neglect we will lose the sale of a thousands of times more cotton by this delay in getting out the catalog so that the buyers can buy our cotton across the counter for dollars, than that amendment will provide and further, you lose much more in gain for our farmers than you could expect to help under this giveaway under Public Law 480. I say that it is ridiculous for us to make the argument that Public Law 480, and the giveaway, is the answer to our farm problem, though it can help if held as an additional means of meeting the problems largely caused by holding our production off world markets.

Believe me, I supported this bill; but if this bill and this giveaway for foreign currencies and then turning around and giving them the currency, which means a dollar's worth lost for a dollar invested, is to be once again substituted for sales through normal channels where we get at least two-thirds of our money back—if that is the purpose, then I think it would be better to defeat this bill.

The authors of the bill, the chairman of the committee insists that it is their intent that this act be used in addition to normal sales and I am glad that they have made that statement, because I know they mean it. But I would point out again that for at least 5 years we held our commodities off world markets, away from normal channels for dollars and were using various foreign aid and giveaway type programs in substitution. Now the sales program is working and I hope that the debate here indicating that this bill is so very important—and I agree that it is important—will not be taken by the Department as an excuse to return to the old policy of holding our commodities off world markets and thereby holding up the world price but letting somebody else have the market while they increase their acreage as we reduce ours.

Mr. HILL. Mr. Chairman, will the gentleman yield?

Mr. WHITTEN. I yield to the gentleman.

Mr. HILL. Mr. Chairman, I go along with the gentleman from Mississippi 100 percent. We should be putting our pressure on the sale of surplus products, but here is a demonstration where the gentleman says himself that he voted for cotton. Cotton, as we put it into this bill, has no place in this legislation, because you are going to delay Public Law 480 and the first thing you know we will not have a program of 480 at all. I do not see any reason why we should put that amendment onto this bill.

The CHAIRMAN. The time of the gentleman from Mississippi [Mr. WHITTEN] has expired.

(Mr. WHITTEN asked and was given permission to proceed for 3 minutes additional.)

Mr. HILL. The point I make is this. Is there any reason why we should clutter up this bill with this particular crop, cotton?

Mr. WHITTEN. I did not see and do not see any great benefit in the amendment. On the other hand if all the commodities of which the Commodity Credit Corporation has a supply, which are basic, are being given to foreign countries for foreign currencies, and then we turn around and give them the currencies, it is almost indefensible to say that you are not willing to do the same thing for the indigent people of the United States.

Again, there is going to be precious little relief as a result of this amendment and there is going to be practically no relief to your cotton situation. As I pointed out, because of the delay in getting out the catalog, so that those who want to buy cotton and are ready to buy it, and who have proven they are ready, would have the opportunity to buy; it will cost us a thousand more times more benefits by not going at it in the proper way, than we can get under this bill, giving away our products.

Mr. Chairman, the answer to the farm problem is not just to get rid of the surpluses. You could burn them up and you would be in the same predicament in a short time. The answer is to regain your markets and you can regain your markets only as you sell competitively. And I hope that the Department will not take the debate here which points out how essential this bill is as any evidence that they should quit selling commodities in world trade for dollars. May I repeat again—and do not misunderstand me—anything that you get rid of under Public Law 480, you lose every dollar you have invested in it. But for this supply that we have sold through normal channels for dollars; at least we have regained about two-thirds of our investment and you regain your markets. There can be no question as to the choice between the wisdom of selling through normal channels for dollars as against giving such commodities under Public Law 480.

May I say again, Mr. Chairman, the great need for agriculture is to regain our markets and it will not come from Public Law 480 or any other giveaway program, but through sales through normal channels at competitive prices for dollars.

Mr. ALGER. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I simply take this time to express my amazement and disappointment, to say that I am appalled at the fact that the United States Government considers it is its role to give away food. I will merely want to express my distaste for this provision of law 480 and I speak, I believe, for the people of my district. In fact, it is unconstitutional. I cannot understand why the Federal Government should take the taxpayers' money and then turn around and give the money away. I myself cannot differentiate between that and socialism, even though we may be helping needy people.

I yield to the gentleman from Illinois.

Mr. MASON. I should like to pro-

pound a very profound question to the gentleman from Pennsylvania and the gentlewoman from Missouri, who say Uncle Sam now is handing out freely these foodstuffs to the needy but the States where it is handed out must provide the vehicle by which it is distributed, and that costs the States money, so they want Uncle Sam not only to hand out the foodstuffs free but they want the States to be relieved from paying for the handing out of the food. They want Uncle Sam not only to take it to them but then to distribute it for them. I say that that is expecting a bit too much from feeble Uncle Sam, who is \$276 billion in debt, while a good many of the States are not too much in debt.

Mr. FULTON. Mr. Chairman, will the gentleman yield?

Mr. ALGER. I yield to the gentleman from Pennsylvania.

Mr. FULTON. The gentleman from Illinois is misinformed on the Federal surplus agricultural distribution program, because the States and the local agencies have methods set up for distribution of the surplus foods at their own expense. For example, in Allegheny County, where Pittsburgh is located, we have voluntary citizens' committees who perform that service free and without pay; our local government agencies on various levels supply personnel and trucks as well as local storage and distribution centers. The trouble is something different. It is that the Agriculture Department, because it is not set up for quick local distribution, sends the foods in bulk at times when the local authorities must store the bulk surpluses in warehouses at the points of distribution. These storage costs are expensive and not a usual budget item of the local authorities and voluntary agencies.

My comment is this: The Agriculture Department of the United States Government should have a policy for the storage of United States agriculture surplus products not simply at the point of origin of the surpluses, but should likewise have some of those storage facilities at the points where they might be distributed in the United States. It would then cost the Agriculture Department no more money because it has to store them some place or another, and by statute the Agriculture Department already pays the cost of processing, packaging, and transportation costs to the points of distribution by local agencies. But there is an insufficiently broad policy of just storing these surplus agricultural products, for example, only where the corn comes in or where the wheat comes in or where the various other surplus crops come into the hands of the Commodity Credit Corporation.

The Federal Government might just as well have agriculture storage points in various distribution districts, because we people pay the taxes, too, for this \$5 billion agricultural program, and likewise we pay the high storage prices that Congress has voted for under the price-support programs. So when we in Pittsburgh and western Pennsylvania are paying over 1 billion dollars a year in Federal taxes, maybe when we have

some needy people with no purchasing power, the Federal Government in all justice should take care of this surplus-storage problem in a manner that will not cost us extra expense. This local storage program near the point of distribution is agreed to by the chairman of the Agriculture Committee, the gentleman from North Carolina [Mr. COOLEY], whom I compliment for his understanding of this serious problem that holds back the United States distribution of these agricultural surpluses to needy people.

It will cost the Federal Government little more money, because the Federal Government already pays under statute the storage and the transportation costs to the points of distribution under the various State programs.

Mr. ALGER. I had not planned to speak further on this. I would only say this: I heartily disagree with the gentleman in his views. Further, it is my understanding that many of the people get food throughout this country that are not needy persons. I question the administration of the program in that regard. I understand local agencies have even solicited people saying, "Food is coming from Uncle Sam, come and get yours." I understand, and though I could be wrong, I mention this to the gentleman from Mississippi, that the wealthiest county in Mississippi is now receiving a great share of this food.

I also want to protest that I do not believe cotton should be given away by Uncle Sam, either.

Mr. SMITH of Mississippi. Mr. Chairman, will the gentleman yield?

Mr. ALGER. I yield.

Mr. SMITH of Mississippi. The food going into Mississippi, I assure the gentleman, is going to people who are very needy. By any comparison they will be found to be as needy as any of those seeking assistance under the plan in other States.

Mr. ALGER. I assure the gentleman I did not mean just to single out Mississippi. To conclude, Mr. Chairman, I do not believe it the role of Government to feed and clothe us. Neither do I believe it sufficient cause to compare it to giving food away to other countries. This is not the role of Federal Government either, using taxpayers' money. I cannot see the difference of this program from socialism.

I believe there are other ways to care for our needy, through local charity and local and State government. If Government's role is appropriately established.

Pages 13 and 14 of the report document my disapproval wherein 39 States are listed as getting all this Federal food. This is not in the proper sphere of our Federal Government.

(Mr. ALGER asked and was given permission to revise and extend his remarks.)

Mrs. SULLIVAN. Mr. Chairman, I offer the amendment which I offered previously.

The Clerk read as follows:

Amendment offered by Mrs. SULLIVAN: Page 2, after line 3, insert:

"SEC. 2. Title III of such act is amended by adding at the end thereof the following new section:

"SEC. 306. (a) The Secretary of Agriculture (in this section referred to as the "Secretary") is hereby authorized and directed to promulgate and put into operation, as quickly as possible, a program to distribute to needy persons in the United States through a food stamp system a portion of the surpluses of food commodities acquired and being stored by the Federal Government by reason of its price-support operations or other purchase programs.

"(b) In carrying out such program, the Secretary shall—

"(1) distribute surplus food made available by the Secretary for distribution under this program only when requested to do so by a State or political subdivision thereof;

"(2) issue, or cause to be issued, pursuant to section 3, food stamps redeemable by eligible needy persons for such types and quantities of surplus food as the Secretary shall determine;

"(3) distribute surplus food in packaged or other convenient form on the local level at such places as he may determine;

"(4) establish standards under which, pursuant to section 3, the welfare authorities of any State or political subdivision thereof may participate in the food stamp plan for the distribution of surplus foods to the needy;

"(5) consult the Secretary of Health, Education, and Welfare, and the Secretary of Labor, in establishing standards for eligibility for surplus foods and in the conduct of the program generally to assure achievement of the goals outlined in the first section of this act; and

"(6) make such other rules and regulations as he may deem necessary to carry out the purpose of this act.

"(c) The Secretary shall issue, to each welfare department or equivalent agency of a State or political subdivision requesting the distribution of surplus food under section 2 (1), food stamps for each kind of surplus food to be distributed, in amounts based on the total amount of surplus food to be distributed and on the total number of needy persons in the various States and political subdivisions eligible to receive such food. The food stamps shall be issued by each such welfare department or equivalent agency to needy persons receiving welfare assistance, or in need of welfare assistance but ineligible because of State or local law, and shall be redeemable by such needy persons at local distribution points to be determined by the Secretary under section 2 (3).

"(d) Surplus food distributed under this act shall be in addition to, and not in place of, any welfare assistance (financial or otherwise) granted needy persons by a State or any political subdivision thereof.

"(e) In any one calendar year the Secretary is authorized to distribute surplus food under this act of a value of up to \$1,000,000,000, based on the cost to the Federal Government of acquiring, storing, and handling such food.

"(f) The distribution of surplus food to needy persons in the United States under this act shall be in place of distribution to such needy persons under section 32 of the act entitled "An act to amend the Agricultural Adjustment Act, and for other purposes," approved August 24, 1935 (7 U. S. C., sec. 612c), as amended, and section 416 of the Agricultural Act of 1949, as amended: *Provided, however,* That nothing in this act shall affect distribution of surplus food presently provided for in such sections other than to needy persons as defined in section 7 of this act.

"(g) For the purpose of this act, a needy person is anyone receiving welfare assistance (financial or otherwise) from the welfare department or equivalent agency of any State or political subdivision thereof, or who is, in the opinion of such agency or agencies,

in need of welfare assistance but is ineligible to receive it because of State or local law.

"(h) The Secretary, in consultation with the Secretary of Health, Education, and Welfare and the Secretary of Labor, shall make a study of, and shall report to Congress within 6 months after the date of enactment of this act, on the feasibility of, the costs of, and the problems involved in, extending the scope of the food stamp plan established by this act to include persons receiving unemployment compensation, receiving old-age and survivors insurance (social security) pensions, and other low-income groups not eligible to receive food stamps under this act by reason of section 7 of this act.

"(i) There are hereby authorized to be appropriated, out of any money in the Treasury not otherwise appropriated, such sums as may be necessary to carry out the purposes of this act.

Mrs. SULLIVAN. Mr. Chairman, many of the Members heard my remarks previously when I attempted to amend the amendment of the gentleman from Louisiana [Mr. THOMPSON]. I do not want to go back and repeat all of the statements I made at that time in connection with my proposed amendment for a food stamp plan.

But it will be recalled, Mr. Chairman, that I was interrupted for a colloquy with the distinguished Chairman of the Committee on Agriculture, and other Members, and I did not finish my speech. So I will just pick up where I left off at that time.

I pointed out that some of our States presently participate in the plan for distribution of surplus food to needy citizens and that other States do not, and that the method and manner of participation and the standards vary widely as between States.

I would like to make this point clear about our present distribution system: feeding the hungry is secondary under this whole program to dumping surpluses. I think it is time we recovered our sense of values on this matter and put at the top the need to help those who are hungry rather than to find the quickest route to dumping the largest amount of surplus with the least amount of effort or expense.

Since this act was passed in 1954, we have been dumping or giving away about a billion dollars worth of food a year overseas. I say giveaway even though in some instances the other countries put up currency of their own for it. We then use that currency largely—not entirely but largely—on development programs within each country to help the people of that country. I have no objection to that giveaway.

But I do object—bitterly—to the miserly, narrowminded, pinchpenny, cruel and heartless position of this administration that we cannot afford—we cannot afford, they tell us—to spend a similar amount in helping our own needy through a food stamp plan.

I am not proposing a new, \$1 billion a year expenditure. I am proposing that we use up to \$1 billion of this food a year—food already in Government ownership—and distribute it among our own needy, just as we do under this bill abroad. The \$1 billion limitation applies not only to the original cost of the food,

but also to the cost of storing and handling it. So it would mean less than \$1 billion in actual foodstuffs going to hungry, needy Americans.

We ship that much abroad each year under this giveaway, and even, in many cases, pay the shipping costs out of American dollars.

Yet we are told, we cannot afford to distribute this food on an intelligent basis to our own needy.

The food-stamp plan is the only practical one for getting some of this food to every American family in need of it. The eligibility requirements are simple but clearcut. There could be no isel-ing. There would be no possibility of scandal in giving away surplus to those who can afford to buy.

Mr. Chairman, the bill before us amends a law which also provides for the present system of distribution of surplus food to the needy in this country. That is in title III of the present act. My amendment would revise title III to provide for a food-stamp plan.

Let those Members who know of no needy persons in their districts—who do not believe there are Americans unable to afford decent and nourishing food—vote against this amendment if they like. But those of us who come from urban areas particularly know that the need exists and is not being met.

How often do we have to read of children scavenging in garbage cans to get enough to eat before we will act to establish a food-stamp plan?

Let us solve this problem now.

I ask the chairman of the committee if he will accept this amendment.

Mr. COOLEY. Mr. Chairman, while I am not authorized unfortunately to accept the amendment, I wonder if the gentlewoman would be willing to eliminate the word "directed" and let the amendment read that the Secretary is authorized to promulgate the program. That would leave it entirely in his discretion and, if he thought he could do it feasibly, he would; otherwise, he would not. If he did not do it, you could blame him for not doing it. I personally am in sympathy with what the gentlewoman is proposing to do. As an individual Member of the Congress, I will vote for it, but I cannot bind any member of the committee. Every member of the committee is free to speak for himself.

Mrs. SULLIVAN. Then, Mr. Chairman, I ask for a vote on my amendment.

Mr. COOLEY. And will not the gentlewoman agree to eliminate the word "directed"?

Mrs. SULLIVAN. I am sorry I cannot agree to that.

Mr. FULTON. Mr. Chairman, will the gentlewoman yield?

Mrs. SULLIVAN. I yield.

Mr. FULTON. I would ask that the gentlewoman come before the Committee on Agriculture rather than have the whole problem voted on here on the spur of the moment.

Mrs. SULLIVAN. May I tell the gentleman from Pennsylvania that this matter has been before the Committee on Agriculture in hearings before that com-

mittee on three different occasions and it has been thoroughly discussed and testimony has been received and it has been considered in the committee. If you want to have a food-stamp plan enacted, this bill appears to provide the best opportunity.

Mr. HILL. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, this is exactly the same situation as we had with reference to cotton. I assure you I am not opposed to this program, but I certainly am opposed to putting it on this bill this afternoon. What we are trying to do, it seems to me, that would-be friends of this program are trying to amend the bill so that it will go down the sewer and we will be here until we adjourn with no legislation. The other body has already passed this extension. I hope the gentlewoman will withdraw her amendment. I know that the chairman of our Committee on Agriculture, as he said before, will call hearings. The Committee on Agriculture is always in session and the gentlewoman can have time to state her proposition, and I am sure we would give this problem every consideration.

Mr. COOLEY. Mr. Chairman, will the gentleman yield?

Mr. HILL. I yield.

Mr. COOLEY. I know my good friend does not want to characterize this program as trash.

Mr. HILL. I did not say the program was that. I said that is what you are trying to do with this bill.

Mr. COOLEY. You said that it was being loaded down with trash.

This amendment offered by the gentlewoman from Missouri is not trying to kill the bill. The gentlewoman is honestly for the bill and for her amendment as well. While I agree with you that primarily this is the function of our committee.

Mr. HILL. Would not the gentleman agree with me that it has no place in this bill whatsoever.

Mr. COOLEY. The gentlewoman has found a very good place for it, if the gentleman will vote for it and approve it.

Mr. HILL. That is exactly it. I am not about to vote for it. I was not opposed to the cotton bill, but I did not vote for it either. There is no place for it. We have had no hearings on this matter.

Mr. COOLEY. Yes, we have had hearings on it in a previous session.

Mr. FULTON. Mr. Chairman, will the gentleman yield?

Mr. HILL. I yield.

Mr. FULTON. May I join with the gentleman from Colorado in asking the gentlewoman to withdraw her amendment at this point because I think it will hurt the program that she is speaking about. There are many people here who think this is not the place for it and that it will hurt the Public Law 480 program which is the disposition of agricultural surpluses.

Mrs. SULLIVAN. If the gentleman from Pennsylvania will permit me, I will state that I have tried since 1954 to get action on this particular thing and I

think this is just as important as it is to feed the hungry people abroad.

Mr. HILL. Mr. Chairman, I have the floor.

Mrs. SULLIVAN. I beg the gentleman's pardon.

The CHAIRMAN. Does the gentleman yield?

Mr. HILL. I will let the gentlewoman finish her remarks.

Mrs. SULLIVAN. Mr. Chairman, will the gentleman yield that I may finish?

Mr. HILL. I yield.

Mrs. SULLIVAN. I think it is just as important to feed the hungry on our own relief rolls as it is to feed those abroad. I have been in favor, and I will always be in favor, of sending this food and selling it abroad.

Mr. HILL. The very fact the gentlewoman could not get through the Agricultural Committee in times gone by is sufficient proof that we should not take time this afternoon discussing this amendment.

Mr. ARENDS. Mr. Chairman, will the gentleman yield?

Mr. HILL. I yield to the gentleman from Illinois.

Mr. ARENDS. Just let me say that some Members of the House are sincerely interested in getting through Public Law 480. If the rest of the Members are interested in seeing this bill go through they better take notice of what they are trying to do to this program now, or it will run into some trouble.

Mr. DINGELL. Mr. Chairman, I rise in support of the amendment of the gentle lady from Missouri [Mrs. SULLIVAN] whom I salute as a true humanitarian and as one who offers wise and beneficial legislation.

Mr. Chairman, I want to make it very clear that I have voted for a lot of these giveaways and for a lot of money for a lot of foreigners who often neither thank us nor appreciate our help, but I want the membership of this House to know right here and now that I am getting tired of hearing a lot of Members of Congress trying to argue why we should not make some slight provision for our own people.

Remember, we tax our consumers to keep the price of these foods high enough that many of these same consumers cannot afford enough to eat. Let us give these people some help—now.

What is the situation in my own city of Detroit? Right now we have 100,000 people out of work. In the State of Michigan we have 192,000 people out of work. We have thousands of others on minimum or lower income. Other cities and States face similar problems. Twelve million people today in America live on subsistence level or lower.

I want to tell you that the food program that the Department of Agriculture has had for the past few years just is not a program of disposal of this food to these needy people.

I have been in contact with the Secretary of Agriculture on this thing for some time and I happen to know a little bit about it. Every time you inquire about the program it has been changed,

it is modified, the qualifications which a person has to have so far as income is concerned are raised, and the amount of food a person can get is reduced, the kinds of food a person can get are reduced in number; the amount of food an individual can get at any one time is reduced in amount or it is increased to the point where an individual cannot use it or store it on his own behalf. The packaging and conditions under which this food is presently disposed of to needy are embarrassing, and are made so difficult and costly as to be virtually impossible for the people who really need them. Worse than this, the financial level fixed for needy to qualify prevents many from receiving any benefits whatsoever. The result is that our poor cannot get a decent meal while we have granaries bursting with food.

We are not trying to kill this program, as one gentleman speaking on the other side of the aisle has said. I have consistently voted for this and other programs which helped our friends around the world. We are merely trying to see to it that in giving away a lot of these products we think a little more of our own people; that we care for our own hungry, our own needy, our own aged, our pensioners, our unemployed, our retirees.

What does this amendment do? It does not hurt Public Law 480 at all, but it does tell the Secretary of Agriculture, command him, to work out a program which will make it easier for us to take care of our old folks, which will make it easier for us to take care of our needy, which will make it easier for us to take care of our sick and of our retirees and those who are out of work. This country is sitting on a mountain of food bigger than this Capitol. We have \$11 billion worth of food rotting. Let us feed our hungry with it.

If you vote against this amendment and if you vote to take this out of this bill I hope you will recall it at election time when you come to report to your people, and I hope if you do not someone else can recall it for your people, so they can recall it for you when they vote at the polls.

Mr. FULTON. Mr. Chairman, will the gentleman yield?

Mr. DINGELL. I yield.

Mr. FULTON. Some of us in Congress have had quite a bit of experience with these United States programs of local distribution of surplus food and agriculture products. I was one of those Congressmen who set up the program now feeding 611,000 people in the State of Pennsylvania. In Michigan you have 192,000 persons on the program in a similar state, so you are really not using Public Law 480 authority as much as you should and can. Why do you not work out a program with the Secretary of Agriculture to expand your program, which you can do under present legislation? But to come in here and put a complicated amendment such as this on a marketing bill of this nature will only hurt the bill and will not be effective. I can tell you that in Pittsburgh and the United States generally, the distribution

program is already working well under Public Law 480, and there is no reason why it should not work as well in Michigan as it does in Pennsylvania.

Mr. DINGELL. It may be working well in Pennsylvania, but it is not working well in Michigan; it is not reaching the needy and the unemployed in our State.

Mr. FULTON. Why is not your State government working on it? In Pennsylvania we have three times the program you have in Michigan; in Pennsylvania we have 611,000 persons assisted and you have only 192,000 persons. What is the reason?

Mr. DINGELL. I will tell you why: Because the Secretary of Agriculture is constantly and consistently doing things to make this program unworkable in the State of Michigan. He has raised the income requirements, he has reduced the amount of food to be allowed to the program, and to the individual. He has changed the amount of food that any individual can get. The result is that our State government cannot cover more than that number although we have constantly tried to relieve our hungry. If we are going to be humanitarian with a bunch of people over across the ocean, we can start right here at home. I keep recalling the maxim that charity begins at home. Much of the cost of this program will be lost in the vast charge to the taxpayer of just storing the food, which exceeds \$1 million per day, which will be reduced very substantially by helping feed our hungry.

Mrs. SULLIVAN. Mr. Chairman, will the gentleman yield?

Mr. DINGELL. I yield to the gentleman from Missouri.

Mrs. SULLIVAN. I would like to ask the gentleman from Pennsylvania this question: Did he not say a while ago that Pennsylvania was going to have to stop this because of the excessive cost?

Mr. FULTON. Various Members, both Republicans and Democrats, have some cities and towns where they do not have the budgetary capacity in the current year to pay the storage costs. So this program is probably going to be curtailed somewhat. But it could be done with the Federal Government having local storage and distribution points in the State. We Republicans have cooperated on our Federal surplus food distribution program in Pennsylvania across party lines with a Democratic Governor and administration in power. It is a good program for the United States taxpayers and for the needy people in Pennsylvania.

Mr. HOEVEN. Mr. Chairman, I rise in opposition to the pending amendment.

(Mr. HOEVEN asked and was given permission to revise and extend his remarks.)

Mr. COOLEY. Mr. Chairman, will the gentleman yield?

Mr. HOEVEN. I yield to the gentleman from North Carolina.

Mr. COOLEY. Mr. Chairman, I ask unanimous consent that all debate on the pending amendment close 10 minutes after the gentleman concludes his remarks.

Mr. LONG. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. LONG. How much does that give each one standing?

The CHAIRMAN. Ten minutes divided among 7 Members.

Mr. LONG. Mr. Chairman, I object.

Mr. COOLEY. Mr. Chairman, I ask unanimous consent that all debate on the pending amendment close 15 minutes after the conclusion of the gentleman's remarks.

The CHAIRMAN. Is there objection to the modified request?

There was no objection.

Mr. HOEVEN. Mr. Chairman, it is high time that the committee pull itself up by its own bootstraps and see what is going on. At this session of the Congress the administration has presented three major agricultural bills.

The first one was the emergency corn bill, which was scuttled by our friends on the right. The second was the bill authorizing appropriations for the soil bank, which was scuttled by our friends on the right. Now we are witnessing the scuttling of the extension of Public Law 480 by an effort to load it down with amendments which they know very well will not be approved by the President of the United States.

I am not here to argue the merits or demerits of the stamp food plan. The fact is such a bill has been pending in the Committee on Agriculture since the first of the year. I am amazed to find the chairman of the Committee on Agriculture practically conceding that the Sullivan amendment is germane, as he did concede that the cotton amendment was germane. It seems to me we are confronted here with another scuttling operation. The amendment proposed by the gentlewoman from Missouri has a great deal of merit, but, as I said, I am not debating the merit or demerit of it. There is a great deal of merit in the food-stamp plan. Only fragmentary hearings have been held by the Committee on Agriculture. If my good chairman and other Members on his side are so interested why has not the bill been presented to the Committee on Agriculture for further hearings and attention? They have the votes to report out any bill.

Mr. COOLEY. Mr. Chairman, will the gentleman yield?

Mr. HOEVEN. I yield to the gentleman from North Carolina.

Mr. COOLEY. I want to make it perfectly clear that I have not any authority to accept the gentlewoman's amendment and I have not accepted it. I am in sympathy with what she is trying to do. The gentleman knows we have been trying to do this in our committee in season and out of season and that we directed the Department of Agriculture to make a study of the matter, which has come to nothing.

Mr. HOEVEN. The chairman is displaying no interest in protecting his bill.

Mr. COOLEY. It has been protected very well.

Mr. HOEVEN. The chairman knows that accepting his amendment or having it adopted is going to scuttle the bill.

Mr. COOLEY. I have not accepted this or any other amendment. I voted

for the other amendment and I have no apologies for it.

Mr. HOEVEN. You should protect the committee bill.

Mr. COOLEY. Personally, I did not have any objection to the cotton amendment, but that is my right as an individual Member.

Mr. HOEVEN. The members of the committee have heard the debate and can judge for themselves what is going on.

Mr. ARENDS. Mr. Chairman, will the gentleman yield?

Mr. HOEVEN. I yield to the gentleman from Illinois.

Mr. ARENDS. What position does the chairman of the committee intend to take on this amendment? Does he intend to oppose the amendment?

Mr. COOLEY. I do not intend to speak in opposition to it and I will vote as I see fit when the time comes to vote. I assume some member of the committee will speak in opposition to it.

Mr. ARENDS. I was hoping that the gentleman from North Carolina would speak in opposition to it.

Mr. HOEVEN. I want to say in closing that the committee bill is an administration proposal. It is a program which is working out well; one of the programs that is paying dividends. I urge you to vote down the amendment offered by the gentle lady from Missouri and vote for the bill.

The CHAIRMAN. The Chair recognizes the gentleman from Iowa [Mr. COAD].

(Mr. COAD asked and was given permission to revise and extend his remarks.)

Mr. COAD. Mr. Chairman, I know that Public Law 480 is a measure which has from the beginning been an instrumental measure in reducing the agricultural surpluses of our land. In its present form this measure is directed only to contract relations and agreements with foreign lands. The amendment offered by the gentlewoman from Missouri [Mrs. SULLIVAN] will create a food-stamp plan to give the indigent of our country a workable program to receive the benefits of some of this surplus. No one is saying that this is not going to be a costly program to the American taxpayer but it certainly will not be any more costly than the present programs of surplus disposal.

Now this is only the second time in which I have taken part in debate in this House regarding any farm legislation. But I have observed a good number of measures presented here this year related to agricultural subjects and whenever there are measures offered which will be forward looking and which help people who cannot help themselves that there are those on the other side of the aisle who strenuously argue that the measure should be defeated. Here is a program which will benefit millions of persons in this country by giving them food and clothing—and at the same time using a mountain of surplus stocks on which we pay storage. This food-stamp plan will do a double duty.

But now comes the hue and cry that to amend this bill to provide this further program would be an attempt to

scuttle the entire bill. I am for Public Law 480 in every sense of the word. I am for selling our commodities to foreign countries for their own currency and I am for this food-stamp plan which will also benefit our own home people. There is the heavy indication here that to amend this bill in any degree would render the measure so that it will not be acceptable to the administration. But in spite of this I add my voice to the many others who give support to this program.

If we have been sent here by the people we represent to formulate a program which is good for our people, good for America and good for our friends around the world—then we should do it. But do we have to go around dotting every i and crossing every t in strict conformity to the administration? If this is so then we are here simply as a rubber stamp Congress, and I never came here to be a rubber stamp and I am not going to be today.

Now, if we can reduce our surpluses as we have been able to do through Public Law 480, we should continue this program. And if we believe that we can make this program more effective and help our people here at home at the same time, then I feel we should do so. And, let me remind you that there are at least 12 million people in this land of ours who are living on a bare subsistence diet.

The adoption of this food-stamp amendment would make this not only a surplus disposal program but would also make it a humanitarian program. And, I think it comes with very poor grace for this program to be labeled a "trash" as one of the Members has stated. It is a good program for it essentially helps people and at the same time we will maintain every workable provision which has worked in the reduction of our surpluses in the past.

The CHAIRMAN. The Chair recognizes the gentleman from Maine [Mr. McINTIRE].

Mr. McINTIRE. Mr. Chairman, I simply want to say that the Committee on Agriculture has considered this bill which is before the committee today in a very orderly procedure. As one member of the committee I shall be perfectly happy to consider the amendment offered by the gentle lady from Missouri in committee in the most objective manner possible. I do feel that the amendment is meritorious in that it deserves our consideration, but it has not been up for hearing in this Congress. It has been up in other sessions in other Congresses. However, it is a very far-reaching approach to the system of distribution, and I would like to assure the gentlewoman from Missouri that on a call of the committee for appropriate and extensive and detailed hearings in order that we may know the full impact of this legislation, as one member of the committee I would like to analyze it very objectively. But, I do think that it is inappropriate at this time, because it needs much more analysis in order that it can be worked out constructively.

Mr. FULTON. Mr. Chairman, will the gentleman yield?

Mr. McINTIRE. I yield to the gentleman from Pennsylvania.

Mr. FULTON. I would like to ask a question of a member of the Committee on Agriculture, and I think it is one that should be asked. When there is a broad stamp plan to be adopted such as this of the gentle lady, how much will it cost? Has there been any estimate of cost as to how many hundreds of millions we are getting into?

Mr. HARVEY. Mr. Chairman, will the gentleman yield?

Mr. McINTIRE. I yield.

Mr. HARVEY. Apropos the question of the gentleman from Pennsylvania [Mr. FULTON], I think that is the most important factor to consider in this proposed amendment. There is no estimate of the cost. We have tried to evaluate that in the past, what the cost would be. But I think it would certainly be untimely to add such an amendment at this time when it is beyond the best guess of any of us as to what the cost would be.

Mr. McINTIRE. I thank the gentleman. I urge the defeat of this amendment.

The CHAIRMAN. The Chair recognizes the gentleman from Ohio [Mr. HAYS].

Mr. HAYS of Ohio. Mr. Chairman, I have supported every foreign-aid program that has been sent up here by this administration. I have voted for some cuts in committee, but when the bill was finally worked out by the committee I have supported the program on the floor.

I would like to tell you what one of the nations which is a recipient of surplus commodities under Public Law 480 is doing. I do not want to mention the name because I do not want to embarrass anyone. But they give out stamps to families that have children under 16 years of age. A certain number of stamps is given for each child and they can buy a quart of milk a day for each child and pay approximately 3½ cents a quart for it. The Government makes up the difference through the stamp.

If we can afford to—and apparently we can—if we can afford to make more than \$2 billion worth of commodities available under Public Law 480 to others, certainly we ought to be able to make these commodities available to the people in this country, who need them, and under an orderly procedure.

I think probably a stamp plan is the most orderly procedure you can get because you have some kind of an accurate control over who gets the commodity. In addition to that, you operate through the storkeeper and in the smaller towns of the country through the small, individual businessman. You do not have the Government taking his customers to some warehouse and taking them away from him, but you have the plan operating through his store.

Finally I would like to say that I think it comes with poor grace from anyone on my left to accuse the Democrats of scuttling the farm program when for the past 4 years Mr. Benson has been spending most of his time scuttling the farmers.

The CHAIRMAN. The Chair recognizes the gentleman from Missouri [Mr. BROWN].

Mr. BROWN of Missouri. Mr. Chairman, I feel that the purpose of Public Law 480 is to get better use of the worthless farm surpluses that we are accumulating. I think the first place where we should try to use them is here at home. Maybe you do not get the mail that I get, but sometimes when I read these letters from these people who are on the public assistance rolls back home, drawing \$55 a month—and you know and I know that they cannot begin to live on that—I wonder what we are doing putting a lock and key on these food surpluses and denying them to Americans who need them. Even Mr. Benson approves of sending surpluses overseas. Why cannot we utilize some of them to help our people here at home, too?

That is the first principle that is involved here. The second principle that has been brought up is the matter of cost. Surely, we have much of the cost already invested in the products. Cheese and milk products in storage, doing nobody any good at the moment. Why cannot they be distributed? And if you believe that the amendment of the gentlewoman is not a polished gem of perfection, surely it can be polished and perfected in administration. As broad as it is, and with the leeway that is left to the Secretary of Agriculture, surely the Secretary should be able to figure out some kind of plan on the 1-cent sale idea, where a person may purchase a quart of milk and get a stamp for so much more milk. That would not interfere with the normal channels of trade and would increase the utilization of the product. Certainly if the Secretary of Agriculture is worthy of being a Secretary of Agriculture he has the imagination to figure out the details.

Mr. FULTON. Mr. Chairman, will the gentleman yield?

Mr. BROWN of Missouri. I have only a short time; I cannot yield.

Mr. FULTON. That is an illegal program the gentleman is suggesting.

Mr. BROWN of Missouri. Under the gentlewoman's proposal I think it can be designed and is not illegal.

Mr. FULTON. You cannot use those tie-in sales. You will be violating the law of the land. You cannot tell the Secretary of Agriculture to do what the average citizen cannot do. You will get him arrested.

Mr. BROWN of Missouri. The 1-cent sales on soap, and so forth, have been used all over this country.

Mr. FULTON. This is an authorization to get free food. If you buy something else and tell the Secretary of Agriculture to go into the stores of this country and make the tie up for these poor people who have no purchasing power, you have really got it.

Mr. BROWN of Missouri. What did I say? I said with the purchase of a quart of milk you might get a stamp for an extra quart of milk. If that is illegal under the statutes of the United States, the soap companies are violating the law every day in every store of the country.

The third principle involved here is a new and different approach at helping the farmer. This would direct some of our agricultural efforts toward expand-

ing demand rather than devote all efforts to cutting back, cutting back, constantly struggling to decrease production.

This amendment will not cost as much as the soil bank, and I submit it will help twice as many people: The farmers and the hard-pressed people who sorely need the food.

The CHAIRMAN. The Chair recognizes the gentleman from Louisiana [Mr. LONG].

Mr. LONG. Mr. Chairman, I am really somewhat amused today. I think back at the election when I heard all the Democrats and Republicans all over the country telling how they loved the poor people and how they wanted to feed, clothe and look after them. They were crying crocodile tears about the poor people of this country. Then, we come here today and want to feed a few of them and we find more reasons not to feed them than we can find food to feed them with.

I see no reason why we cannot use a little of this food that we have here at home. Why we cannot feed some of the poor people in my district and your district with some of the butter and other commodities that are being stored. I cannot understand why, unless it is this, and I just wonder if maybe some of you on the left can answer this question. Have you worked up through this program a program where you have so many people, bureaucrats, on the payroll that you are afraid you will get rid of the commodities and you will not have jobs for your friends? Is that the reason? There must be some good reason why you would deny hungry people all over this country some of the food that is stored. We are paying for storage on these surplus items that our hungry people could be consuming. By the time we have disposed of the surplus food for dollars, the storage will have eaten up all the dollars so that program is a complete loss. Wouldn't you rather feed our hungry people than to lose it entirely?

For 4 long months the water has been over much of the cultivable land of the 8th Congressional District of Louisiana. I do not know how much longer it is going to be there. My constituents are wiring and writing me day after day, "Can't you in some way let us use the land we have in the soil bank in order that we can raise just a little food or graze our cattle on it?" Some of the land is out of water, but no, you cannot plant a peanut on it, you cannot plant any peas, you cannot plant any cabbage, you cannot use it for any purpose at all. Then, there is the land that has been allotted to cotton that is now under water. There will not be time to plant cotton on that land this year, and when the water recedes, the land cannot be planted in vegetables or feed without having the cotton allotment cut for next year.

What kind of a program is this? Let us take care of our own people before giving more to foreign countries.

The CHAIRMAN. The Chair recognizes the gentleman from Colorado [Mr. HILL].

(Mr. HILL asked and was given permission to revise and extend his remarks.)

Mr. HILL. Mr. Chairman, I should just like to say a short word. As I recall, in handling this bill in our committee, I heard our chairman when the committee room was fairly full of people ask if there was anyone who wished to speak against this bill, and not one single soul arose.

We were talking about this bill, the extension of Public Law 480. Now, why can we not go back to the original bill that we introduced and passed unanimously out of our committee, and not try to put these amendments on it? Let us not discuss whether they are good or whether they are bad or otherwise. Let us just pass the bill. The reason I say that is that time is of the essence. We should pass Public Law 480 without any longer delay.

I yield to the gentleman from Indiana [Mr. HALLECK].

Mr. HALLECK. It has been said before, and very effectively I think, and I am inclined to think it ought to be said again that the bill before us coming from the Committee on Agriculture provides for a simple extension of Public Law 480 dealing with certain problems having to do with agriculture and agricultural surpluses. To me it would be the height of irresponsibility to jeopardize a program that is working by writing in on the floor of the House, before committee action has been had, a whole new program. As the gentleman said, possibly it is good and possibly it is not good, but it certainly would be irresponsible to try to legislate in that fashion. If the program is as good as those who speak for it claim it is, then there should be no trouble at all in getting consideration for it before the proper committee and getting a bill reported with whatever amendments are deemed desirable and bringing such a bill to the floor of the House in the proper manner for consideration and determination. To my mind, it would be a great mistake to adopt this amendment at this time.

Mr. FULTON. Mr. Chairman, will the gentleman yield?

Mr. HILL. I yield.

Mr. FULTON. Actually, to answer the gentleman from Louisiana, might I ask are there not 3,400,000 people getting this surplus food in the United States and in the gentleman's own State of Louisiana there are 177,000 people getting it, and they are not even up to the State of Mississippi where they have 257,000 people under the program. So there is something wrong according to the gentleman's own statement, if they are not utilizing the Public Law 480 program.

Mr. HILL. Let us not get into that question because maybe there is something wrong in the gentleman's State of Louisiana according to his idea when they voted last fall, but to my way of thinking they all voted correctly down there. But let us not get this bill any further into politics. What I would like to see done is to pass the bill as is and get it over to the other body. If there is anything wrong, the conference com-

mittee can certainly take the time to iron out the difficulties.

The CHAIRMAN. The Chair recognizes the gentleman from North Carolina [Mr. COOLEY].

Mr. COOLEY. Mr. Chairman, I yield to the gentleman from Texas [Mr. POAGE].

Mr. POAGE. Mr. Chairman, I want to say in behalf of the Committee on Agriculture that we have had hearings on this food-stamp program. The majority of the committee felt that the program was not adequately worked out in sufficient detail for us to put our stamp of approval on it. That does not mean that I or any other member of the committee is opposed to a food-stamp program if it can be worked out so that it is practical.

But, it seems to me quite visionary to assume that the Federal Government is not going to be out anything on this food-stamp program except some surplus commodities. The very figures that all of us have been quoting for the last few years, to the effect that the farmers' part of the consumer's food basket has gone down from 54 cents to, I believe, 39 cents out of every dollar, means that the Federal Government would have to put up about \$2 for every \$1 invested in surplus commodities, or, in other words, would have to put up \$2 for every \$1 you spend for surplus commodities or for every dollar's worth of surplus commodities that you moved or got rid of. So you spend about \$3 to move \$1 worth of surplus commodities under this program. Now it may be worth that, but there have not been enough details presented to the committee. As one member of the committee, I am deeply interested in the passage of the bill before us extending Public Law 480, which I think has been the most successful of all of the agricultural disposal programs. It seems to me no matter how laudable the objective of some other kind of disposal proposal may be, if it definitely jeopardizes the possibility of securing the extension of a program that we know is working and which we know is doing some good, it would be the height of folly to try to use the proven program simply as a means of carrying through something that we do not know will work, something which the committee itself cannot recommend to the Congress, and something which we feel is extremely doubtful as to details no matter how meritorious it may be if we could work out the details.

This amendment has not even been read. How can any Member say that he is satisfied that it is practicable? Its objective is admittedly good, but will it work? And, if it will work, what will it cost? I cannot conscientiously support even so worthy an objective until I know lots more about its practical effect than we know about this plan.

The CHAIRMAN. The time of the gentleman has expired.

The question is on the amendment offered by the gentlewoman from Missouri [Mrs. SULLIVAN].

Mrs. SULLIVAN. Mr. Chairman, I demand tellers.

Tellers were ordered, and the Chairman appointed as tellers Mrs. SULLIVAN and Mr. AUGUST H. ANDRESEN.

The Committee divided and the tellers reported that there were—ayes 89, noes 128.

So the amendment was rejected.

Mrs. KELLY of New York. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mrs. KELLY of New York: On page 2, line 4, insert: "(4) section 107 of such act is hereby amended by striking out the period at the end thereof and inserting 'at any time since 1950 unless the Congress by concurrent resolution determines it to be a friendly nation.'"

Mrs. KELLY of New York. Mr. Chairman, my amendment is not aimed at any one particular country. Its purpose is plain, clear, and uninvolved—namely, to retain within the Congress the judgment as to what nation or area dominated by world communism at any time since 1950, is nevertheless a friendly nation.

I have given much thought and study to this amendment. It is my hope that all Members of Congress will also consider it very carefully in making their decisions. That is all I ask. I would be remiss in my duty if I did not give the representatives of the free, independent people of the United States the opportunity to make this decision. Their decision will be a basic one, because it will be based on their belief and faith in the absolute principles upon which our country is founded, or it will be based on their belief in and support for expediency.

To the history of the Agricultural Trade Development and Assistance Act—Public Law 480, 83d Congress, 2d session—I must refer briefly. In 1954, the Congress adopted my amendment to this law thereby defining friendly nations. This amendment prohibits the sale of agricultural surpluses to certain nations—the U. S. S. R. and those nations under Soviet domination or controlled by Communist organizations.

By clause 1 of section 107 of Public Law 480, Congress has already exercised its judgment with respect to the U. S. S. R. and has declared that the U. S. S. R. is not a friendly nation. My amendment to H. R. 6974 will revise clause 2 of existing legislation so as again, with respect to other nations, leave the choice with the Congress on any determination of what constitutes a friendly nation.

Secretary Dulles, in speaking for the President late in 1956, made the determination that Poland is not now dominated or controlled by the U. S. S. R., and accordingly qualifies as a friendly nation within the meaning of section 107 of the Agricultural Trade Development and Assistance Act of 1954, as amended. I insert at this point a letter from the Department of State advising the Congress that Poland is a friendly nation:

DECEMBER 28, 1956.

The HONORABLE WALTER F. GEORGE,
Chairman, Committee on Foreign
Relations, United States Senate.

DEAR MR. CHAIRMAN: As you know, following the developments in Poland last October, the President stated that, to help freedom-loving people, such as the Polish people, would add strength to the security and peace of the free world. The executive branch is

considering various measures, within the framework of existing legislation, which would contribute to the achievement of these objectives.

Poland has indicated a desire to purchase a number of items, including certain agricultural products, a number of which are in surplus. Following a reexamination of executive branch policy, it has been decided to allow surplus agricultural commodities to be exported for dollars at world-market prices to eastern European countries (except the Soviet Union) on a selective basis in the national interest. Accordingly, it has been determined that surplus agricultural commodities may be sold to Poland for dollars at world-market prices.

The Secretary has also determined on the basis of a careful examination of the Polish situation since October 1956, that Poland is not now dominated or controlled by the U. S. S. R., and accordingly qualifies as a friendly nation within the meaning of section 107 of the Agricultural Trade Development and Assistance Act of 1954, as amended, (Public Law 480, 83d Cong., 2d sess.). He intends to inform the Secretary of Agriculture that Poland is eligible for title I and title III, Public Law 480 transactions. The Secretary has taken his decision on the basis of the current situation and all the evidence available to him. He recognizes, of course, that important new developments are taking place in Eastern Europe and that the future course of events may alter this situation.

Accordingly, these events will be followed closely and the validity of the current appraisal will be kept constantly under review.

Sincerely yours,

ROBERT C. HILL,
Assistant Secretary.

The Secretary of State used this determination and involved us in negotiations with Poland. Full details of the negotiations are unknown not only to the American people, but to most of the Members of Congress. It is true that on Friday of last week the secret terms of the agreements between the Polish representatives and the United States representatives were signed. These negotiations do not deal alone with the sale of agricultural surpluses. Believe me—these negotiations are more far-reaching. I feel that if we are to enter into negotiations with Poland or with any other country, the Congress should be given the facts first. The release accompanying the signing of the Polish agreements places special emphasis on the passage of this bill, H. R. 6974, to complete the full negotiations of the sale of \$47 million of agricultural surpluses to the Polish Government. But, nowhere does it mention the total amount of money involved in the entire agreement. As chairman of the Subcommittee on Europe—and it was to this committee the State Department reported these negotiations—I know what I am talking about.

Have we forgotten that we are engaged in a sinister, cold war with a ruthless and diabolically clever enemy who is ready to exploit our kindness, our humanity, our decency, our adherence to treaties, and our adherence to the pledged word? The enemy is slick and subtle in his guile. To counteract such an enemy requires the full positive force of the Congress of the United States in conjunction with the executive branch. We should not lightly yield the great power and force which we in the Con-

gress possess, for if we do, we shall fail the American people and the rest of the free world at a time in our history when none of us can afford another failure.

There are those who cry "the Polish aid program will be wrecked by this amendment." I suspect it is the Department of State which has been stirring up a storm over my amendment. You see, they wish to retain absolute discretion within themselves to determine which nation or area is a friendly nation. Maybe Red China. Recent developments should give us pause for great fear on this score. Recognition of Red China—admission of her representatives to represent China in the United Nations—trade with Red China—surplus agricultural commodities to Red China. Red China—a friendly nation.

Or, perhaps the State Department would like to consider Syria a friendly nation. Or North Vietnam. Or North Korea. The State Department desires this discretion without congressional interference. On the other hand, they distrust the Congress in the use of its discretion. I say that if they are not willing to rely on the judgment of the Congress to make a determination, then they must be aware for once of the sentiment of the American people which is opposed to dealing with Communist nations and the Communist government of captive peoples.

If the State Department is concerned over aid to the Polish people, why do they not have a resolution introduced giving \$50 million worth of agricultural surpluses to the Polish people? In this manner and by this method, we would supervise the distribution. I am sure the American people would prefer this if they realized that it costs \$3 billion to move \$1 billion worth of these surpluses to foreign nations. The Committee on Agriculture, on page 10 of their report on this bill, admits—and I quote—"It is an emergency law designed for the sole purpose of making the best of a bad situation by providing for the disposal of agricultural surpluses in a manner which will return some benefit—if possible, a permanent benefit—to the United States."

The State Department admits the expediency of this transaction by saying—in the letter to which I have previously referred—and I quote:

He [the Secretary of State] recognizes, of course, that important new developments are taking place in Eastern Europe and that the future course of events may alter this situation.

The procedure set forth in my amendment is straightforward and direct. The Congress, by concurrent resolution, adopted by both Houses of Congress, and necessarily by both sides of the aisle, would be enabled to make the determination which I feel only the representatives of the American people should make. A determination of this kind affects the American people so vitally, and our foreign policy so basically, that I feel only the Congress should make it. Let me point out that the Congress of the United States makes many important and vital decisions and determinations with respect to our foreign policy. It

does this usually after the most careful examination and investigation and after thorough questioning of executive department witnesses and after independent staff and committee examinations. The determination of the Congress will not be an arbitrary one. I fail to see, therefore, how anyone can validly object to my amendment. An objection or a vote against my amendment surely is tantamount to saying to the American people "We, your elected representatives, do not consider that dealings with Communist countries are any of our business and we are perfectly willing to rely on the gentlemen in the State Department."

The issue here is not the Congress versus the executive branch of our Government. The issue here is, Shall it be the executive branch in conjunction with the Congress or just the executive branch alone making a vital determination.

My amendment gives each one of you an opportunity to reaffirm your faith in the American people and in their elected representatives to do the right thing and to exercise commonsense on behalf of our national security and best interests.

If my proposed amendment to H. R. 6974 is adopted, Public Law 480 will then read:

SEC. 107. As used in this Act, "friendly nation means any country other than (1) the U. S. S. R., or (2) any nation or area dominated or controlled by the foreign government or foreign organization controlling the world Communist movement at any time since 1950, unless the Congress, by Concurrent Resolution determines it to be a friendly nation.

I have been asked why I have used the words "at any time since 1950". It is because, to many people, that was about the year when the imperialistic designs of Soviet Russia blossomed forth into full bloom.

My amendment will preserve the prerogative of Congress to make sure that legislation is not bypassed.

The decision on the distribution of agricultural surpluses will remain in Congress—where it belongs.

The people of the United States should decide. The decision should be by elected representatives of the American people when dealing with Communist-dominated countries.

A vote against this amendment would be a vote against the commonsense of Congress.

Do you fear your own judgment? Do you fear your own commonsense? If you do, you will vote against my amendment.

Mr. Chairman, I feel it is necessary at this point to refer briefly to some of the remarks that were made at the time of the debate on the rule on this bill. I would like to say in answer to the gentleman from Texas [Mr. POAGE] that I am not chasing rabbits in this situation. I am hunting big game; I am chasing Communists.

Now, how did Poland become involved in this agricultural bill? The Secretary of State made the decision that Poland was a friendly nation and thereby quali-

fied Poland under Public Law 480. I do not believe that any person in this House would now say that Poland is not dominated by Moscow. I feel the Secretary bypassed the determination of Congress expressed in this act and thereby involved us in the negotiations with Poland. I do feel that it is our duty and our responsibility to express our views by means of a concurrent resolution. I also would like to say that the negotiations with the representative of Poland which involve us went much further than just agricultural commodities. There are few Members of Congress who know the secret negotiations. In the discussion on this bill today there has been much emphasis on how the accrued money accumulated in foreign currency can be spent. There has been the argument that military housing could be built such as is being built in other countries where this money has accrued. Military housing for whom, I ask. Soviet troops? We Members of Congress are aware of these secret negotiations, but we do not know the agreements, and I believe that if we are to be participants in any negotiations with any country which has been and is now possibly dominated by Moscow, we should deal with that issue directly on the floor of this House. The real issue involved is whether we should relieve the responsibility of the Communist Government of the captive people of Poland by bearing the responsibility of the failure of the Communist economic theory.

Therefore, Mr. Chairman, I feel that my amendment is very important to this bill.

Mr. BENTLEY. Mr. Chairman, will the gentlewoman yield?

Mrs. KELLY of New York. I yield to the gentleman from Michigan.

Mr. BENTLEY. I merely wanted to say to the gentlewoman that this is one Member who does not believe that Poland is dominated by Moscow at the present time. However, when I am recognized, I will deal with that.

The CHAIRMAN. The time of the gentlewoman from New York has expired.

Mr. FLOOD. Mr. Chairman, I ask unanimous consent that the lady be permitted to proceed for 30 additional seconds.

The CHAIRMAN. Without objection, it is so ordered.

There was no objection.

Mr. FLOOD. Mr. Chairman, I must concur in what my friend from Michigan has said, that under no circumstances could I agree with the attractive and distinguished lady from New York [Mrs. KELLY] that Poland or the Polish people are dominated by the Soviets.

The CHAIRMAN. The time of the gentlewoman from New York has again expired.

Mr. COOLEY. Mr. Chairman, I move that the Committee do now rise.

The motion was agreed to.

Accordingly the Committee rose; and the Speaker having resumed the chair, Mr. HAYS of Arkansas, Chairman of the Committee of the Whole House on the

State of the Union, reported that that Committee, having had under consideration the bill (H. R. 6974) to extend the agricultural trade development and assistant act of 1954, and for other purposes, had come to no resolution thereon.

THE PARTY OF EBENEZER SCROOGE

(Mr. DINGELL asked and was given permission to address the House for 1 minute, and to revise and extend his remarks.)

Mr. DINGELL. Mr. Speaker, I rise to pin the tail on the elephant. I ask the attention of the very distinguished gentleman from Massachusetts, the minority leader [Mr. MARTIN], who is present on the floor, standing there by the committee table on the minority side of the aisle.

I challenge him to deny to me and to the American people so the American people can tell who is the party of Ebenezer Scrooge, and which party is willing to spend money overseas but not willing to spend it here at home on our hungry and needy. I ask the distinguished minority leader if he dare deny at this time the fact that only one Member of the minority party, the Republican Party, and I salute that one lonesome Member, the gentleman from Pennsylvania [Mr. SAYLOR], who went through the teller line with us Democrats, when we were trying to get the poor and the unemployed, the aged, and the needy of this country, some relief, by enacting a food-stamp plan to dispose of this vast surplus of food, which we propose to send overseas by the legislation on the floor.

Will the gentleman from Massachusetts, or any other Member of the minority, Republican Party, deny that my statement is correct and true? I challenge them to deny that every other Republican Member, but that one exception present, voted against the food-stamp plan offered by the gentlelady from Missouri [Mrs. SULLIVAN]. I ask the distinguished minority leader to deny that the Republican Party, to paraphrase its distinguished leader the President, is liberal and humanitarian in principle and tight and stingy with money and the hungry of this country.

The SPEAKER. The time of the gentleman from Michigan has expired.

DISTRICT OF COLUMBIA APPROPRIATION BILL

Mr. CANNON. Mr. Speaker, I ask unanimous consent that the Committee on Appropriations have until midnight tonight to file a conference report on the District of Columbia appropriation bill.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

The conference report and statement follows:

CONFERENCE REPORT (H. REPT. No. 592)

The committee of conference on the disagreeing votes of the two Houses on the

Digest of CONGRESSIONAL PROCEEDINGS

OF INTEREST TO THE DEPARTMENT OF AGRICULTURE

OFFICE OF BUDGET AND FINANCE
(For Department Staff Only)

Issued June 24, 1957
For actions of June 21, 1957
85th-1st, No. 108

CONTENTS

Adjournment.....13,21	Foreign aid.....15,24	Public Law 480.....14
Appropriations.....2,15,30	Forestry.....9,16,30	REA.....29
Audit.....8	Housing.....9	Reclamation.....3
Budget.....10	Humane slaughter.....34	Recreation.....32
Buildings.....30	Interest rates.....11	Research.....18,27
Corporations.....7	Legislative program..12,20	Soil bank.....23
Disaster loans.....6	Loans.....6,11,29,30	Surplus disposal.....14
Electrification.....3,8,29	Natural resources.....28	Trade, foreign.....14
Farm credit.....1	Nominations.....1	Virgin Islands.....33
Farm program.....4	Penalty mail.....30	Water resources.....10
Feed and seed.....30	Personnel.....19,31	Wheat.....5,17
Flood control.....25	Price supports.....26	Wildlife.....27
Flood relief.....22		

HIGHLIGHTS: House passed bill to extend Public Law 480. President signed third supplemental appropriation bill. Rep. Breeding criticized proposed increase in REA interest rates. Sen. Morse criticized farm program. Sen. Humphrey and Rep. Anderson said wheat vote shows opposition to flexible supports.

SENATE

1. NOMINATIONS. Confirmed the nominations of Marshall R. Edwards and George W. Lightburn to the Federal Farm Credit Board. pp. 8982-3
2. APPROPRIATIONS. Adopted the conference report on H. R. 6500, the D. C. appropriation bill for 1958. (pp. 8919, 8924-6) This bill will now be sent to the President.
3. ELECTRIFICATION; RECLAMATION. Passed without amendment S. 555, authorizing the construction of a high Federal dam at Hells Canyon. pp. 8899-8918, 8920-4, 8926-60, 8967-71
4. FARM PROGRAM. Sen. Morse criticized the Administration for the farm situation, alleged that farmers are not sharing the prosperity of the rest of the country, and inserted an article on Leon Keyserling's analysis of the economy. pp. 8893-4
5. WHEAT. Sen. Humphrey pointed to the first returns from the wheat referendum as showing the farmer's dislike of Secretary Benson's "flexible" price supports, and inserted his previous statement urging a "yes" vote. pp. 8972-3

6. DISASTER LOANS. Sen. Humphrey inserted an FH A letter to him announcing that four Minn. counties were eligible for emergency disaster loans. p. 8981
7. CORPORATIONS. Received from the Budget Bureau a proposed bill to amend the Government Corporation Control Act; to the Banking and Currency Committee p. 8885
8. ELECTRIFICATION. Received from the Comptroller General an audit report on REA for fiscal year 1956. p. 8885
9. FORESTRY; HOUSING. Sen. Morse inserted a series of articles on the economic slump in Oregon's housing industry and the effect on the lumber industry. pp. 8892-3
10. WATER RESOURCES. Sen. Johnson urged the fullest development of U. S. water resources and stated, "We must resist the tendency of the Bureau of the Budget to exercise a pocket veto over vitally necessary projects by refusing to include them in the budget." p. 8896
11. INTEREST RATES. Sen. Johnson stated that present interest rates denied credit for expansion to all but the biggest corporations, and inserted articles on borrowing costs and the increasing interest rates on short-term loans. pp. 8971-2
12. LEGISLATIVE PROGRAM. Sen. Johnson stated that conference reports still pending on the Agriculture and other appropriation bills would have priority on the Senate floor when they are ready for action, and stated further that the Senate might need to meet six days a week and into the night (pp. 8896-7). He later stated that the Interior appropriation bill would be considered on Mon. (p. 8983).
13. RECESSED until Mon., June 24. p. 8983

HOUSE

14. FOREIGN TRADE; SURPLUS DISPOSAL. Passed, 344, to 7, H. R. 6974, to extend the Agricultural Trade Development and Assistance Act of 1954 (Public Law 480) for one year, to increase the authorization under Title I from \$3 billion to \$4 billion, and to authorize \$300 million additional under Title II for famine relief. pp. 8986-9003, 9004
Agreed to the following amendments:
By Rep. Cooley, 75 to 56, to provide that up to 25 percent of foreign currencies received may be used by U. S. business firms in the countries in which received for developing markets for U. S. agricultural products, provided that no funds may be used for the manufacture of products to be exported to the U. S. in competition with U. S. products. (pp. 8998-9000)
By Rep. Smith, Miss., to authorize the CCC to donate surplus food commodities to State and local penal institutions. (pp. 8997-8)
Rejected the following amendments:
By Rep. Kelly, N. Y., 5 to 108, to reserve to Congress the determination as to whether a nation receiving benefits under the bill is friendly to the U. S. (pp. 8986-97)
By Rep. Thompson, La., 79 to 121, which had been tentatively agreed to on June 20, to authorize the CCC to donate certain cotton and cotton goods to charitable institutions and needy persons in the U. S. (p. 9002)

no change were made in the amount specified in the existing exemption provision, it would mean that after July 1, 1957, service personnel traveling on leave would be required to pay an additional 10 percent on top of the increased fare. This would be an unwarranted additional financial burden on the men and women of our Armed Forces.

To prevent this, I introduced H. R. 7954, and my distinguished colleague, the gentleman from New York [Mr. REED], ranking minority member of the Committee on Ways and Means, introduced an identical bill, H. R. 7955. Both bills would set the mileage rate limit on fares eligible for the exemption at 2.5 cents per mile. While this figure is higher than the new rates will be, it was set so that exemption will continue to be available to all service personnel and not denied to a few. The amount selected is not intended to presage a further increase in special fares, for these, like regular rail fares, are subject to control by the ICC.

The Committee on Ways and Means was unanimous in favorably reporting H. R. 7954. I urge prompt and favorable action on the bill, so that it may become law by July 1, 1957, thus continuing the existing exemption for servicemen and servicewomen.

Mr. REED. Mr. Chairman, will the gentleman yield?

Mr. COOPER. I yield to the distinguished gentleman from New York.

Mr. REED. Mr. Speaker, it is my privilege to join with the distinguished chairman of the Committee on Ways and Means, the gentleman from Tennessee [Mr. COOPER], in urging my colleagues in the House to act favorably on H. R. 7954. This legislation would continue the tax-exempt status of certain railroad travel for Armed Forces personnel on furlough.

Under present law our young men and women in uniform are exempt from the 10-percent Federal excise tax on transportation of persons if they are traveling by reason of furlough or other similar reason on round-trip tickets sold to them at a rate of not more than 2.025 cents per mile. The special tariff applicable to such travel has recently been increased effective July 1, 1957, to an amount slightly in excess of the statutory exempt amount. Accordingly, the Committee on Ways and Means, in the interest of continuing this exemption has unanimously acted favorably on this legislation so as to increase the maximum exempt amount from its present level to a level of 2.5 cents per mile.

This meritorious legislation should receive the favorable action of the Congress.

Mr. JENKINS. Mr. Speaker, will the gentleman yield?

Mr. COOPER. I yield to the gentleman from Ohio.

Mr. JENKINS. Mr. Speaker, I am in favor of this bill. It gives meritorious benefit to the deserving young men and women serving in our Country's Armed Forces. H. R. 7954 would increase from 2.025 cents per mile to 2.5 cents per mile the exemption on the special tariff that is exempt from the Federal excise tax

on transportation of persons for travel by members of the Armed Forces on furlough.

COMMITTEE ON THE JUDICIARY

Mr. CELLER. Mr. Speaker, I ask unanimous consent that the Committee on the Judiciary may be privileged to sit during general debate next week.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from New York?

Mr. GROSS. Mr. Speaker, reserving the right to object, and, of course, I shall not object. In the future, however, I am going to insist that chairmen of committees desiring to transact business go to the microphone to state their request, and I am going to insist on that for the remainder of this session.

Mr. MARTIN. Reserving the right to object, does this meet with the approval of the gentleman from New York [Mr. KEATING]?

Mr. CELLER. Yes, it does.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from New York?

There was no objection.

PROGRAM FOR WEEK OF JUNE 24

(Mr. ARENDS asked and was given permission to address the House for 1 minute.)

Mr. ARENDS. Mr. Speaker, I take this time in order to ask the majority leader if he will kindly advise us as to the program for next week.

Mr. ALBERT. I shall be delighted to do so.

I may say to the gentleman that it is the plan of the leadership to adjourn over to Monday if we finish this week's program today. The bills previously announced will be considered today except H. R. 72, the Veterans' Guardians Gratuities Act, and H. R. 716, is the Federal Construction Contract Procedures Act, both of which will go over to next week.

Monday is District day. There are 10 bills on the District Calendar, as follows:

H. R. 7249, change support of families law.

H. R. 6517, District of Columbia retirement of police, firemen, and Secret Service.

H. R. 8256, amend Income and Franchise Tax Act of 1947.

H. R. 7409, Association of Oldest Inhabitants.

S. 1264, exempt from taxation, National Trust for Historic Preservation.

H. R. 7835, increase authorization appropriations, Hospital Center.

S. 1586, American Historical Association, estate holdings.

S. 1576, exempt certain war memorials from sales tax.

H. R. 7785, provide appointment additional judge, juvenile court.

H. R. 6259, the Marine Insurance Act.

House Joint Resolution 379, supplemental appropriation, Post Office Department, 1958.

There are three bills that will be called under suspension of the rules:

H. R. 7992, amend Atomic Energy Act of 1954.

H. R. 7050, county school funds, Klamath Indians.

H. R. 7522, authorize extension certain timber rights.

The bill H. R. 7168, the Federal Construction Contract Procedures Act, will also be considered.

For Tuesday and the balance of the week the following bills will be taken up:

H. R. 7963, Small Business Act.

H. R. 5728, authorize deferment of interest payments on borrowings, St. Lawrence Seaway Development Corporation.

H. R. 72, the Veterans' Guardians Gratuities Act, which is carried over from this week.

House Resolution 251, investigations, District of Columbia Committee, re public works and revenue acts and Department of Public Health of the District.

Any further program will be announced later; and, of course, there is the usual reservation that conference reports may be called up at any time.

Mr. ARENDS. May I ask the gentleman further if he has any information as to when we may expect the postal rate bill to be called up for consideration? It has been some time since it has been reported from the committee and I am hoping that it may be brought up for consideration very quickly.

Mr. ALBERT. I desire to state to the gentleman that that is a matter that will be taken up with the appropriate committee at a future date.

Mr. ARENDS. It seems to me it is very important, and I hope we can have early consideration of the bill.

I thank the gentleman.

DISTRICT OF COLUMBIA APPROPRIATIONS, 1958

Mr. RABAUT. Mr. Speaker, I call up the conference report on the bill H. R. 6500, making appropriations for the government of the District of Columbia and other activities chargeable in whole or in part against the revenues of said District for the fiscal year ending June 30, 1958, and for other purposes, and as unanimous consent that the statement of the manager on the part of the House may be read in lieu of the report.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from Michigan?

There was no objection.

The Clerk read the statement.

(For conference report and statement, see proceedings of the House of June 20, 1957.)

Mr. RABAUT. Mr. Speaker, I move the previous question on the conference report.

The previous question was ordered.

The conference report was agreed to.

The SPEAKER pro tempore. The Clerk will report the first amendment in disagreement.

The Clerk read as follows:

Senate amendment No. 1: Page 1, line 9, strike out "\$20,000,000" and insert "\$20,500,000."

Mr. RABAUT. Mr. Speaker, I move that the House insist on its disagreement to the Senate amendment.

The motion was agreed to.

The SPEAKER pro tempore. The Clerk will report the next amendment in disagreement.

The Clerk read as follows:

Senate amendment No. 10: On page 8, line 8, after "District", insert "Provided further, That this appropriation shall be available for the payment of retirement costs to the public school food services fund."

Mr. RABAUT. Mr. Speaker, I move that the House recede and concur in the Senate amendment.

The motion was agreed to.

The SPEAKER pro tempore. The Clerk will report the next amendment in disagreement.

The Clerk read as follows:

Senate amendment No. 20: Page 17, line 7, insert "Provided further, That when specifically authorized by the Commissioners this appropriation may be used for visiting any ward of the Department of Public Welfare placed outside of the District of Columbia and the States of Virginia and Maryland."

Mr. RABAUT. Mr. Speaker, I move that the House recede and concur in the Senate amendment.

The motion was agreed to.

The SPEAKER pro tempore. The Clerk will report the next amendment in disagreement.

The Clerk read as follows:

Senate amendment No. 28: On page 25, line 18, insert:

"PERSONAL SERVICES, WAGE-SCALE EMPLOYEES
"For pay increases and related retirement costs for wage-scale employees, to be transferred by the Commissioners to the appropriations and funds from which the employees are properly payable, \$1,162,500, of which \$142,000 shall be payable from the highway fund, \$101,600 from the water fund, and \$56,400 from the sanitary sewage works fund."

Mr. RABAUT. Mr. Speaker, I move that the House recede and concur in the Senate amendment.

The motion was agreed to.

A motion to reconsider the votes by which action was taken on the several motions was laid on the table.

Mr. RABAUT. Mr. Speaker, for the information of the House, the budget estimates for this bill were \$209,504,800. The House figure was \$192,530,300. The Senate figure was \$196,636,850.

The conference bill figure is \$195,676,480.

The conference bill is below the budget estimates by \$13,828,320. The conference figure is above the House bill by \$3,146,180 and below the Senate bill by \$960,370.

While the conference bill is above the House bill by \$3,146,180, I would like to point out to the membership that approximately \$2,220,000 of the increase was occasioned by supplemental budget estimates not considered by the House but agreed to in conference as being necessary for the efficient operation of the District government.

(Mr. RABAUT asked and was given permission to revise and extend his remarks.)

GIRARD CASE

(Mr. JARMAN asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. JARMAN. Mr. Speaker, the unfortunate situation resulting from the dispute over the proper authority to assume jurisdiction for the trial of Specialist Girard is being solved in a proper manner by court action interpreting the law governing the case. Federal District Judge McGarraghy, in his decision, pointed up sharply the right of court martial to which every member of the armed services is entitled when an offense is committed while on duty status. It has been undisputed by evidence that the offense allegedly committed by Specialist Girard was committed while in a duty status. Under these circumstances, our domestic law and international law conclusively provide for the right to trial by court-martial.

Even in the Status of Forces Agreement of 1953 entered into with Japan, American military authorities are reserved the primary right to exercise jurisdiction over a serviceman in relation to offenses arising out of any action or omission done in the performance of official duty. It appears that since both nations agreed to all parts of this pact, the United States should expect the Japanese government to recognize the clear language of the agreement and further recognize that the commanding general of Girard's division certified that Girard was on duty at the time of the offense.

Aroused foreign sentiment about a particular case should not compel our Government to abandon all the written law and written agreements between nations which undertake to both protect our troops and regulate the relationship created by their presence on foreign soil.

(Mr. CRAMER asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

* [Mr. CRAMER'S remarks will appear hereafter in the Appendix.]

AGRICULTURAL TRADE DEVELOPMENT AND ASSISTANCE ACT OF 1954

Mr. COOLEY. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the further consideration of the bill (H. R. 6974) to extend the Agricultural Trade Development and Assistance Act of 1954, and for other purposes.

The motion was agreed to.

Accordingly, the House resolved itself into the Committee of the Whole House on the State of the Union for the further consideration of the bill H. R. 6974, with Mr. HAYS of Arkansas in the chair.

The Clerk read the title of the bill.

The CHAIRMAN. When the Committee rose on yesterday there was pending the amendment offered by the gentlewoman from New York [Mrs. KELLY]. Without objection, the Clerk will again report the amendment.

There was no objection.

The Clerk again reported the Kelly amendment.

Mr. MATTHEWS. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, this amendment will, I know, be very thoroughly discussed and debated. Let us please keep in mind that according to the provisions of H. R. 6974 as reported by the Committee on Agriculture there is a section prohibiting transactions under this act with Communist nations, or nations dominated or controlled by the U. S. S. R.

It should be pointed out that the bill transmitted to the Speaker by Executive Communication No. 480 included a provision which would have repealed this section and would have had the effect of authorizing barter transactions with such nations.

Our committee thoroughly discussed this proposition and we concluded that it would be best to retain this language that we already have in the bill. We did not grant this authority to condone, if you please, barter transactions with these nations in question.

The gentlewoman from New York [Mrs. KELLY] wants to give the Congress, by means of a concurrent resolution, the adjudication of the question of these nations that are dominated or controlled by Soviet Russia. The committee's bill, if I interpret it properly, leaves with the President of the United States that particular authority.

Mr. Chairman, let it be said at the outset that I am not willing to abdicate to the President of the United States authority that I believe constitutionally belongs to Congress. I do not think this is an issue of whether or not we shall abdicate. I do not think this is an issue of whether we are for communism or against communism. I am convinced that the gentlewoman from New York, who sponsors this amendment, is just as opposed to communism as I am. But I am going to be a little bit confused now as this debate proceeds, because I know that earnest members of this Committee on both sides of the aisle are going to have conflicting opinions which pinpoints again to me the fact that the President of the United States, through his Secretary of State, ought to have this particular authority which is limited now, mind you, to the provisions of Public Law 480.

I know that our opinions change constantly here on the floor of the House. For example, just a few days ago, when the citizens of Formosa despoiled the Stars and Stripes, it would have been very difficult for me to conceive of Formosa as a friendly nation at that time.

This morning, in the Washington Post, I read a very interesting article by the columnist, Mr. Alsop, referring to the Middle East crisis. He said:

But this policy we have embarked upon runs squarely counter to the Nasser-style brand of Arab nationalism, which is the strongest popular force in the Arab lands today. It is also a policy of inordinate complexity and delicacy. It necessarily involves much secret diplomacy and many accurate judgments of character and situation. It calls for inordinate tact mingled with occasional extreme boldness.

Deliberations under Public Law 480 are similar. They require extreme tact and diplomacy. I for one am willing to leave to the President of the United States the adjudication of what nation is friendly to our great country and what nation is entitled to receive this aid under Public Law 480.

Several days ago I heard a distinguished colleague comment that if the President of the United States would invite Tito to this country he would resign in protest. I respect his judgment, but I do not believe the people I represent would agree with that statement. The way I personally believe about it, if the President of the United States wants to invite the Prime Minister of Shangri-La or the President of Timbuktu—I am using these names because I believe they refer to hypothetical countries, and I do not want to offend anyone; you cannot talk about anyone with impunity in here except the Anglo-Saxon population of the Deep South, and I do not want to offend anyone—if the President of the United States wants to invite these gentlemen and they are not enemies of the United States, they are not controlled by the despotic rule of Russia, I for one would be delighted to see him render that invitation. But I have come to the opinion, Mr. Chairman, that if he refused to invite these gentlemen because he was afraid of any one Congressman, I would be inclined to resent in disgust such weakness of a President, be he Republican or Democratic.

The CHAIRMAN. The time of the gentleman from Florida has expired.

Mr. POAGE. Mr. Chairman, I ask unanimous consent that the gentleman from Florida may be permitted to proceed for 5 additional minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Florida?

There was no objection.

Mr. MATTHEWS. I am grateful for the indulgence of the Committee.

Mr. VORYS. Mr. Chairman, will the gentleman yield?

Mr. MATTHEWS. I will be delighted to yield to the gentleman from Ohio.

Mr. VORYS. I agree with the gentleman's statement, but in my judgment the question involved in the Kelly amendment is not merely a general matter of policy; it is a matter of involving the constitutional powers of the President. Let me quote briefly from the annotations to the Constitution, prepared by the Library of Congress, by Edward S. Corwin. The annotation states:

In consequence of his power to receive and dispatch diplomatic agents, but more especially the former, the President possesses the power to recognize new states, communities claiming the status of belligerency, and changes of government in established states; also, by the same token, the power to decline recognition, and thereby decline diplo-

matic relations with such new states or governments. The affirmative precedents down to 1906 are succinctly summarized by John Basset Moore in his famous Digest, as follows: "In the preceding review of the recognition, respectively, of the new states, new governments, and belligerency, there has been made in each case a precise statement of facts, showing how and by whom the recognition was accorded. In every case, as it appears, of a new government and of belligerency, the question of recognition was determined solely by the Executive."

This amendment places the determination of the recognition of friendly states solely in the hands of the Congress through the concurrent resolution device, cutting the President out entirely from that constitutional responsibility of his. This is clearly a violation of the Constitution; and remember, we are sworn to uphold and defend the Constitution.

Mr. MATTHEWS. I thank the gentleman for his contribution.

Mr. HALLECK. Mr. Chairman, will the gentleman yield?

Mr. MATTHEWS. I yield to the gentleman from Indiana.

Mr. HALLECK. I commend the gentleman on the statement he has made. May I add to that this word: I have served here quite a few years. There have been times when I have resented what seemed to me to be Executive usurpations of legislative authority. Having taken that position through the years, I have also felt it incumbent upon me to be very careful to see to it that we did not undertake to exercise legislative usurpation of what is clearly Executive authority.

I think the gentleman has spoken very well on this particular matter. I agree with him that this sort of decision is one that should be made by the executive branch under the discretion vested in the executive branch by the legislation enacted by the Congress of the United States. I think that, having enacted that legislation, we have gone as far as we should go in respect to the matter.

Mr. MATTHEWS. I thank the gentleman for his statement.

Mr. WAINWRIGHT. Mr. Chairman, will the gentleman yield?

Mr. MATTHEWS. I yield to the gentleman from New York.

Mr. WAINWRIGHT. In the first place, may I commend the gentleman from Florida on his fine statement. He has fast become one of the House's foremost spokesmen. May I say that the gentlewoman from New York in suggesting that the House of Representatives or the United States refuse aid to a nation which is clearly dominated by the Russian flag is on very, very sound ground.

It is with a great deal of regret that, intellectually, I must concede the statement made by the gentleman from Ohio [Mr. VORYS] that she is invading a constitutional prerogative of the President of the United States, otherwise, I would support her amendment 100 percent.

Mr. MATTHEWS. I thank the gentleman.

Mr. FEIGHAN. Mr. Chairman, will the gentleman yield?

Mr. MATTHEWS. I yield.

Mr. FEIGHAN. I would like to make a comment with reference to the obser-

vation made by the gentleman from New York in which he admitted that the Polish Communist regime is now dominated by Russia. Consequently, the interpretation of the President or the State Department that the Communist regime is a friendly nation is wrong or else the gentleman from New York is right, and I believe that today Poland is still under Russian occupation just as it was prior to October 1956.

Mr. MATTHEWS. Of course, I do not want the Committee to forget my position. I am certainly opposed to the amendment of the gentlewoman from New York, and I think the discussion we have had so far pinpoints the difficulty of obtaining a concurrent resolution of the Congress to adjudicate whether one of these nations is friendly or not.

Mr. FULTON. Mr. Chairman, will the gentleman yield?

Mr. MATTHEWS. I yield.

Mr. FULTON. I compliment the gentleman on his statement and I agree with him. Of course, it is the President of the United States who should have the right under the Constitution to decide which are friendly and unfriendly countries and which countries should be recognized. I think you have made a good point. I would add further that this Kelly amendment is really aimed at knocking the props out from under the present negotiations with Poland to give the Polish people necessary food and cotton and supplies to keep these poor people from starving to death, and to permit the Polish people to renew their ties and friendship with their good friends, the American people.

The CHAIRMAN. The time of the gentleman has expired.

Mr. FULTON. Mr. Chairman, I move to strike out the last word.

Mr. MORANO. Mr. Chairman, will the gentleman yield?

Mr. FULTON. I yield to my friend from Connecticut.

Mr. MORANO. Mr. Chairman, I take this moment to express my opposition to this Kelly amendment, and also to say that my distinguished colleague, the gentleman from Connecticut [Mr. SABLAK] is unavoidably absent, unhappily because he has to attend the funeral of a former member of his staff. I know that my colleague from Connecticut would want me to say that he is opposed to this amendment. If he were here, he would oppose it most vigorously and vote against it.

Mr. Chairman. I thank the gentleman from Pennsylvania for yielding.

Mr. FULTON. Mr. Chairman, if the ladies and gentlemen of the Congress will look at the RECORD of yesterday, they will find what the situation is on this Kelly amendment. For example, on page 8784 the Congresswoman from New York [Mrs. KELLY] said:

I do not believe that any person in this House would now say that Poland is not dominated by Moscow. I feel the Secretary bypassed the determination of Congress expressed in this act and thereby involved us in the negotiations with Poland.

I disagree, and believe that Poland is not dominated by the Soviet Union as

determined by the President and Secretary of State.

As you know, negotiations with the Polish representatives have been concluded and they have now returned to Poland. There has been an arrangement for \$95 million worth of surplus farm products such as oil, fats and so on. While the negotiations have been secret, I will read you the list from the classified paper, but I believe I am not yet allowed to give the amounts in detail.

Under the Export-Import Bank, the items provided are wheat, cotton, soy beans, and lastly machinery—but in a small amount—4.2 percent of the \$95 million. Transportation is a good-sized item added to these items.

There are also items: cotton, tallow, vegetable oil and transportation. Under Public Law 480, to be expended by the act, we are working on here wheat and cotton and again transportation. That means on agricultural surplus commodities, out of \$95 million, \$77.6 million total, the rest of it is transportation and only 4.2 percent has any kind of machinery or industrial equipment at all.

Mr. WAINWRIGHT. Mr. Chairman, will the gentleman yield?

Mr. FULTON. I yield.

Mr. WAINWRIGHT. Why should it be that items going to a Communist nation should be a secret from the Members of the House of Representatives?

Mr. FULTON. That secrecy is placed on the negotiations to protect the negotiators against outside pressures while the negotiations are in progress, and of course once these preliminaries are concluded, there is little need for secrecy.

Mr. WAINWRIGHT. Is there a member of your committee who can answer that question?

Mr. FULTON. I can answer, but my paper is still marked "classified" right on top of this statement.

Mr. WAINWRIGHT. All I am trying to find out is why it is, marked "classified."

Mr. FULTON. Mr. Chairman, some of the Members of Congress have been currently kept advised of the secret negotiations with the Polish representatives. I am one of the Members who knows about these negotiations and who feels they should be supported because our United States representative have already made the firm agreement in part, and have made a tentative commitment for the balance of this aid for the Polish people.

I doubt if you realize what the amendment offered by the gentlewoman from New York [Mrs. KELLY] will do. The amendment is defective because it will let go through in the Polish aid program anything else than agricultural products. Unless this amendment is defeated it will mean that we will have to come here for a joint resolution of Congress for agricultural products. Public Law 480 refers only to agricultural products, and Congresswoman Kelly adds the amendment on to the agricultural products bill, Public Laws 480.

Mr. BENTLEY. Mr. Chairman, if the gentleman will yield, the gentleman cannot tell us just what the export is; that is classified.

Mr. FULTON. I believe the individual amounts only are classified.

Mr. BENTLEY. I have here a breakdown of the gentleman's figure; I believe it is the same information.

Mr. FULTON. I will give the items then, so I am glad you helped me.

Mr. ROONEY. Mr. Chairman, will the distinguished gentleman yield?

Mr. FULTON. I yield to the gentleman from New York.

Mr. ROONEY. Is it not the fact that this surplus agricultural commodity disposal program with Poland is already in effect and that the pending legislation would merely authorize an extension of it?

Mr. FULTON. Yes, the Department through its negotiators is able to give part of the current aid to Poland under the previous authorizations now in effect, under Public Law 480.

Mr. ROONEY. So the program is already in effect, and the pending bill refers only to the \$46.1 million balance of the total \$95 million program?

Mr. FULTON. Part of the Polish program is already in effect, but there is \$46.1 million worth that must be authorized by this particular extension bill we are now discussing.

Mr. ROONEY. My question was whether or not it is the fact that the program with the Polish people is already in existence right now and in this current fiscal year.

Mr. FULTON. That is right; and if the Kelly amendment is put into the bill it will drop the remaining portion of Polish aid that is being granted under the proposed agreement. Our United States negotiators have only been able to sign a memorandum of intention to agree on the final amount, which is \$46,100,000, as there is not enough authority remaining under Public Law 480.

The CHAIRMAN. The time of the gentleman from Pennsylvania has expired.

Mr. FULTON. Mr. Chairman, I ask unanimous consent to proceed for 5 additional minutes to explain this.

Mr. MASON. Mr. Chairman, reserving the right to object, and I shall not in this instance, but from now on I do not want the time of this House monopolized by those on the committee and on the Foreign Affairs Committee who have simply dominated the time during the last day or so. From now on there will be no extension and no giving of time by one Member to the other.

The CHAIRMAN. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

The CHAIRMAN. The gentleman from Pennsylvania is recognized for 5 additional minutes.

Mr. FULTON. May I say to the gentleman from Illinois, my good friend, that I have been asked by the Chairman of the House Foreign Affairs Committee, as well as several senior members of the Committee on Agriculture to give my time at the committee table during this debate because I know the programs, know of the secret agreements, and some have not been developed publicly. So I have given my time on the floor for 3 days to be of assistance.

Mr. GROSS. How secret are they?

Mr. FULTON. They have been released, I am glad to say.

Mrs. KELLY of New York. Mr. Chairman, will the gentleman yield?

Mr. FULTON. I yield to the gentlewoman from New York.

Mrs. KELLY of New York. I thank the gentleman.

The gentleman from Pennsylvania said, and I feel that I am quoting him correctly, that the effect of my amendment, if passed, is that "it will let go through" the other negotiations. Now I want to say this—

Mr. FULTON. That it will let go through the other current negotiations? No.

Mrs. KELLY of New York. It will let go through.

Mr. FULTON. No. It will block the remainder of the current negotiations for further food aid to Poland.

Mrs. KELLY of New York. It will not block the secret negotiations that have already been agreed to a week ago Friday by the State Department, but it would block the remaining \$47 million under the surplus.

Mr. FULTON. That is just what I said.

Mrs. KELLY of New York. I do not want to be associated in any way with the secret negotiations signed by the State Department 2 weeks ago Friday.

Mr. FULTON. I would like to say to the gentlewoman that she will block the remainder of the United States agricultural surplus being sold to Poland, the remaining \$46,100,000 that has already been tentatively agreed to. That amount is under this particular extension bill we are debating, and we need the authority for it. Under the previous Public Law 480 authorization that part of the agreement is all going through. But I might say to the gentlewoman that if she is worried about the secrecy her present amendment is only referring to agricultural surpluses. Where there is machinery involved, and I shall give the machinery item, \$4 million in this program, her amendment does not block that item but merely food for these almost starving Polish people.

Mrs. KELLY of New York. I have no control over that.

Mr. FULTON. You are attacking the wrong place.

Mrs. KELLY of New York. That is under the mutual security section of the Presidential fund which I cannot control.

Mr. HAYS of Ohio. Mr. Chairman, will the gentleman yield?

Mr. FULTON. I yield to the gentleman from Ohio.

Mr. HAYS of Ohio. I would like to ask the gentleman, what is this highly secret information he has? Does he have any more or has he revealed it all up to this time? I was in the committee and if there is anything he has not revealed, I will be glad to give the membership the benefit of it. The only thing he has not said is "Coal mining machinery" which is what it is.

Mr. FULTON. That is the end item. We on our European Subcommittee all know what the secret negotiations were as they went along. The Department kept us well advised and I favor this pro-

gram to aid our longtime friends, the Polish people.

Mr. DORN of New York. Mr. Chairman, will the gentleman yield?

Mr. FULTON. I yield to the gentleman from New York.

Mr. DORN of New York. The gentleman knows and some of the other Members do.

Mr. FULTON. We are talking about the Subcommittee on Europe of the House Foreign Affairs Committee.

Mr. DORN of New York. I would like to know whether the gentleman favors giving our surplus agricultural produce to Communist nations.

Mr. FULTON. The point is this: We must distinguish as between the Communist governments and the Communist-dominated peoples in these satellite nations who are doing their best to stand on their own feet, and become independent and free peoples again. We must all remember, too, that hunger has occurred in Poland, and many Polish people are unemployed and in dire economic straits.

Mr. DORN of New York. What is the difference between a Communist-dominated people and a Communist people? They are both controlled by Russia. I would like to keep on asking this question.

Mr. FULTON. Would the gentleman repeat the question?

Mr. DORN of New York. Does the gentleman believe we should give surplus agricultural produce to Communist nations?

Mr. FULTON. I believe we must look to see what friendly peoples are trying within their abilities to become independent and free even though now dominated by military force and Communist regimes.

It is a pleasure to say that Senator KENNEDY and I have the same position, that the United States should not use food and starvation as a method in our foreign policy. The United States policy should not force the satellite peoples into the position where they have to revolt, as they did in Hungary, even to exist. In Poland, Hungary, Eastern Germany and in Yugoslavia, the people are moving from the Communist form of government in order to get their independence.

We should show these satellite peoples that they also have strong ties with the West, that we are still their friends. We must remember that 95 percent of the people of Poland are now Catholic and a religious people. I admire the Polish people for standing up for their religious beliefs under great hardship. Wladyslaw Gomulka, the present Premier, has been backed by outstanding representatives of the Catholic Church for reelection to form this current government. The Polish people themselves and the Yugoslav people likewise are by the mere power of the people, moving toward more freedom of religion, more freedom of enterprise, more political and press rights and a broader based government. Should we turn our backs on these satellite peoples who in large majority are not now Communist, and have not been,

but have been overrun by stronger military force?

I believe that we should strongly oppose those Americans who wrongly propose that the United States should refuse food and clothing assistance to the Polish people, or the Yugoslav people, yes and even to the Hungarian refugees on the argument that these poor refugees should not have fled. I still remember the food packages which we Americans through our Government facilities, were able to give to the citizens of East Berlin, and East Germany, under the leadership of President Eisenhower, when these people were desperately in need of food and assistance.

I oppose the proposal that the United States maintain a firm or repressive policy against the peoples of Eastern Europe now dominated by outside military force, and Communist ruling groups. I do not agree with those who say that this policy would make more burden for the Communist governments and absentee military power that has dominated this area. We must not put this burden on these poor dominated peoples, as such policy is certainly not in our United States humanitarian and religious traditions.

I visited Yugoslavia last month, and was deeply impressed with rising independence and power of the Yugoslav people, and the progress they are making against great odds and in many instances against, and changing the policy of the Tito Communist government. In spite of the religious leaders being restrained or imprisoned, the people of Yugoslavia have opened their churches to everybody, and are attending church services.

In spite of the collectivization program of the government, the Yugoslav people have left the collective farms so that 85 percent have closed since 1953. Do not think that because we want to give the people the chance to progress, when they are so overwhelmingly non-Communist, that any of us favor the particular kind of Communist or totalitarian government now in power or now dominating such unfortunate peoples from abroad. I continue to oppose Communist domination of any type or variety. I do not believe the Poles, the East Germans, the Ukrainians, the Hungarians, the Yugoslavs, or the majority of the Eastern European peoples are Communist people.

Senator JOHN F. KENNEDY, of Massachusetts, a good personal friend whose views I respect, and with whom I concur fully on this question of aid to Poland, says in his letter to the Secretary of State dated March 12, 1957:

"I visited Poland less than 2 years ago, and I know first hand of the population's rejection of Communist philosophy. Poland may still be a satellite government—but the Poles are not satellite people. To deny them help because they have not been able to shake off total Communist control would be a brutal and dangerous policy, either increasing their dependence on Russia or drawing them into the slaughter of a fruitless, premature revolt."

Since the Hungarian revolution last fall, and the ruthless suppression by the

Soviets of the Hungarian people, the satellites and Eastern European peoples are afraid of similar use of force against them likewise, and will not permit their governments to move closer to the Soviets, but are moving toward their friends in the West, and our type of economic progress and freedom. We in the United States must assist them in their gradual progress toward greater freedom, and we must not confuse the peoples who are taking part in this gradual silent revolution, with their dominating and presently powerful governments of any Communist persuasion.

I confidently look forward to the day when the friendly peoples of Eastern Europe will again be free, and join the society of the free democratic governments of the world.

Mr. MADDEN. Mr. Chairman, I move to strike the requisite number of words.

(Mr. MADDEN asked and was given permission to revise and extend his remarks.)

SURPLUS AID FOR POLAND

Mr. MADDEN. Mr. Chairman, I hope the Congress will enact the pending bill, which will extend the agricultural trade development and assistance program. I also oppose the amendment offered by Congresswoman KELLY of New York. This amendment has good import but should be considered separately from this bill. This legislation is not only an emergency program for disposing of surplus agricultural commodities, but I believe, if properly administered, will help us considerably in building up goodwill among nations throughout the world. By disposing of our grain surplus in this manner, we are not adding any additional burden upon the taxpayers, but are accomplishing two much-needed objectives: First, the opportunity to aid unfortunate humanity who need food and supplies on account of their country's weakened economic conditions and in this way build up international goodwill; and second, it will bring about a reduction of the accumulated surplus-grain problem which in recent years has been a detriment to the prosperity and economy of our farmers.

A great deal has been said in this debate against approving the sale of surplus grain and commodities to Poland. The Polish people have made great progress in the last couple of years by securing concessions of self-government and independence from the Soviet tyrants who have had this Nation under complete domination since World War II. Ninety-five percent of the Polish people are anti-Communists, and one only has to read the history of the Soviet duplicity, infiltration, aggression, and military force to learn how the Polish Nation was a victim of Communist slavery. No doubt the executive department of our Government will receive the proper assurances that this surplus grain and foodstuffs will be given to the Polish people and not used by the Soviet controls within their country to aid communism. Americans of Polish descent are almost unanimous for our Government to send aid to the Polish people in their fight for liberty.

I wish to here incorporate with my remarks a telegram which I received from Charles Rozmarek, president of the Polish-American Congress concerning this legislation:

WASHINGTON, D. C., May 3, 1957.

HON. RAY MADDEN,

House Office Building,

Washington, D. C.:

Opinion of Americans of Polish descent is undivided and enthusiastic in support of legislation which would enable aid in the form of credits to Poland. Urge you to oppose any amendment to the Agricultural Trade Development and Assistance Act which would prevent aid to the Polish Nation, which is gallantly striving to free itself from Moscow domination.

CHARLES ROZMAREK,

President, Polish American Congress.

Mr. FULTON. Mr. Chairman, will the gentleman yield?

Mr. MADDEN. I yield to the gentleman from Pennsylvania.

Mr. FULTON. First, may I compliment the gentleman on his excellent speech. May I ask the gentlewoman from New York [Mrs. KELLY] a question? What would she do if there was a sudden crisis and need for food and aid abroad that the President of the United States feels should be given but the Congress is out of session so that for 6 or 7 months there could be no joint or concurrent resolution of the Congress? What would she do then? Her amendment would block vital United States policy.

Mrs. KELLY of New York. Mr. Chairman, will the gentleman yield?

Mr. MADDEN. I yield to the gentleman from New York.

Mrs. KELLY of New York. I would like to say to my colleague from Pennsylvania that this determination that we are discussing today in late June was decided in December. I am sure that if the administration was so interested in aid to Poland at that time there were sufficient funds under this bill. And, I will say this, I feel that the short duration that would be encountered when we are not in session would not be disastrous for there is plenty of flexibility in other laws, for one under the mutual-security program, to send aid and gift food to nations.

Mr. FULTON. Suppose Congress is out of session for 5 months and a big revolution occurs abroad such as last fall in the Eastern European countries. Then the gentlewoman's amendment prevents major action for relief until there is a concurrent resolution of the Congress. The United States Government must have immediate authority to act, and should not be required to take the time to come back to Congress for a concurrent resolution to use United States surplus-food products under Public Law 480.

Mrs. KELLY of New York. Did not the President send food to the people of Hungary? He has all the authority needed.

Mr. FULTON. Yes, but under the present language of the law, the President did not have this Kelly amendment blocking action in the future. Now the gentlewoman wants to limit the President's power, and I am strongly against

it, as we in the United States need the ability to act quickly in the case of a new Hungarian, Polish, or satellite crisis or revolution.

Mr. WAINWRIGHT. Mr. Chairman, will the gentleman yield?

Mr. MADDEN. I yield to the gentleman from New York.

Mr. WAINWRIGHT. I would like to ask the gentleman from Indiana whether he saw in the New York Times yesterday the picture of the Prime Minister of Poland and the Prime Minister of East Germany, which I am sure the gentleman will grant is under Russian domination, linked arm in arm, having just signed a treaty of warm friendship between the Polish people, who he now claims are not under Russian domination, and the East German people? Now, how can he say that one nation that has joined with another Communist nation is free and independent and should receive support?

Mr. MADDEN. I think the greatest asset in our fight against communism would be the good will of 98 percent of the people of the Polish Nation rather than the Prime Minister.

Mr. BENTLEY. Mr. Chairman, I move to strike out the last word.

(Mr. BENTLEY asked and was given permission to revise and extend his remarks.)

Mr. BENTLEY. Mr. Chairman, I might inform the House that because of the position of the gentleman from Illinois [Mr. MASON] I am not going to be able to yield to any Members for questions during the time allotted me.

Now I would like to tell the House just a little bit about this Polish situation. As the gentleman from Pennsylvania [Mr. FULTON] said, \$48,900,000 of the assistance is already in effect regardless of what we do or do not do on the pending amendment. The passage of this proposed legislation, the extension of Public Law 480, will permit another \$46,100,000 in this negotiation.

I would like to say just one thing with respect to something that was made a great deal of yesterday. That is the repayment in local currencies. In the first place, a large part of this, approximately one-third of this money, is repayable in dollars at an interest rate of 4½ percent, by the Polish Government. That has already been agreed to.

In the second place, the rest of it is repayable in local currency, but the Polish Government has already agreed that after 5 years from the date of this agreement they will buy back at the official rate, for dollars, all of the unused local currency existing at that particular time over a period of time.

I should like to go on for a minute on the terms of these negotiations. The gentleman from Pennsylvania I think was a little bit in error when he talked about the fact that a great deal of this was classified, because the press release from the State Department 2 weeks ago today gave a rather complete breakdown and I am going to ask the attention of the House to tell you just what is in this aid for Poland.

First of all, what is in the \$48.9 million that will go through whether or not this amendment is agreed to.

One hundred thousand metric tons of wheat. Twenty-five and one-half thousand metric tons of cotton. Sixty thousand metric tons of soy beans. Seventeen and one-half thousand metric tons of fats and oils. Four million dollars worth of mining machinery. Nine million, seven hundred thousand dollars for transportation costs.

If they are able to conclude the rest of these negotiations with the extension of Public Law 480, there would be in addition to this, 400,000 metric tons of wheat, 24,500 metric tons of cotton and an estimated transportation cost of \$3,400,000.

So there is nothing secret about this at all. I have here another press statement. This is a press statement that was given to the press 2 weeks ago today by the chairman of the Polish delegation here in Washington explaining what was going to be done with these particular commodities. I read as follows:

1. The agricultural products which will be purchased now by Poland in the United States will be used in the following ways:

(a) The wheat is to be used for an increase of stockpiles which is necessary in order to stabilize wheat prices on the free market at a level fair to producers and consumers.

An agreement of January 1957 between the Polish United Workers Party and the Polish Peasant Party established that the compulsory deliveries of grain and other agricultural products should be gradually reduced with the objective of their eventual elimination.

In this connection the Polish Government recently made public its decision to reduce in part the compulsory deliveries of grain. This decision will enable the peasants to sell about 700,000 more tons of grain than heretofore at free market prices which are higher than the prices under the compulsory deliveries system. In order to avoid serious problems in meeting consumer needs, the Government must have sufficient stockpiles of grain at its disposal. The purchase of wheat in the United States will be made with this purpose in mind.

(b) Cotton and fats are to be used in order to increase the inventories in the factories. Poland had to import every year large quantities of raw materials necessary for industrial production. Because of balance of payments difficulties, inventories of these raw materials are insufficient.

The policy of giving more freedom of decision to individual industrial enterprises makes it necessary to provide these enterprises with larger inventories. It is this policy which has contributed recently to larger imports of iron ore, wool, nonferrous metals, etc., and the agreement just concluded will enable us to meet, on favorable conditions the needs of our cotton textile and fat industries, giving them larger inventories of raw materials.

2. The relatively small amount of \$4 million will be allocated to the purchase of mining equipment necessary for our coal-mining industry. Poland is interested in buying American investment goods for much larger amounts but these bigger needs could not be satisfied at the present moment.

3. The agreements just concluded are of great importance for the economic relations between our countries and are a considerable step toward their further development.

4. I am convinced that apart from the economic negotiations which have just been completed, public opinion in both countries received with satisfaction the news that voluntary aid organizations, as for instance CARE and American Relief for Poland, will

be able to resume their activities with respect to Poland.

5. The recently published decision of the Polish Government's reducing or abolishing customs duties in Poland for most goods sent in gift parcels from abroad will greatly facilitate this form of assistance given by Poles living all over the world, especially in the United States, to their relatives in Poland.

Mr. WAINWRIGHT. Mr. Chairman, will the gentleman yield?

Mr. BENTLEY. I yield to the gentleman from New York.

Mr. WAINWRIGHT. Can the gentleman see any difference between the presentation he is making now and the presentation he made last year when he opposed similar aid to Tito in Yugoslavia?

Mr. BENTLEY. I am going to take some time during the discussion of the Mutual Security legislation to tell the gentleman from New York and anybody else interested why I am still not in favor of aid to Yugoslavia and am in favor of limited assistance to Poland, but I am not going to take the time to do it now.

I should like for the remaining few minutes I have to tell the House 1 or 2 things. I regret that my colleague from the First Congressional District of Michigan [Mr. MACHROWICZ] has not yet returned from his visit to Poland so he could give the Members the benefit of his views and experiences over there.

Mr. BASS of Tennessee. Mr. Chairman, I move to strike out the last word.

Mr. COOLEY. Mr. Chairman, if the gentleman will yield, I wonder if we cannot agree on a time limit on the pending amendment. I suggest we close all debate on the amendment in 30 minutes.

Mr. ROONEY. I object, Mr. Chairman.

Mr. COOLEY. Let us make it 45 minutes.

Mrs. KELLY of New York. I will not object if I can be assured of having sufficient time, 4 or 5 minutes.

Mr. COOLEY. The gentlewoman has already spoken on the amendment.

Mrs. KELLY of New York. I spoke on my amendment yesterday, but there were several things said today that I want to answer.

Mr. COOLEY. I have no objection to that. I may yield to the gentlewoman some of my time.

Mr. ROONEY. Reserving the right to object, Mr. Chairman, I want to be sure there is opportunity for everyone who so desires to be heard on this matter.

Mr. COOLEY. All right; I just want to get through with it.

Mr. Chairman, I ask unanimous consent that all debate on the pending amendment and all amendments thereto close in 1 hour.

The CHAIRMAN. Is there objection to the request of the gentleman from North Carolina?

There was no objection.

Mr. BASS of Tennessee. Mr. Chairman, about 2 months ago the Committee on Agriculture of which I am a member came before the House with what was referred to at that time as the corn bill. Several times during the debate on that bill, and immediately after,

colleagues of mine in the House would say to me, "Ross, why don't you people on the Agriculture Committee get together? Why don't you decide what you want to do, so we will know how to support you and help you? They said "Come out on the floor united, and we can get your bill through for you."

I felt the same way as they did. We were not united, and we had trouble with our bill and did not pass it.

This time we come to the floor of the House for the first time this year with an important piece of legislation united—and, mind you, this is from the Committee on Agriculture, notwithstanding all of the other debate and amendments that have been offered to this bill. This bill comes from the Committee on Agriculture. We are united. This bill was reported out of our committee unanimously, this extension of Public Law 480.

Now what happens? When we from the Committee on Agriculture come to the floor united the Appropriations Committee and the Foreign Affairs Committee try to take our bill over and wreck it with amendments. Let me bring this debate back into focus. This is a bill for the purpose of disposing of surplus agricultural commodities. It is not one making international agreements. It does not have anything in the world to do with making diplomatic agreements with other nations. This is a farm bill, a bill allowing us to dispose of our surplus agricultural commodities. It does not create the expenditure of any new money. The money has already been appropriated and has already been spent for the commodities that are now in surplus in our warehouses. Let me make this point clear. Through the disposal of these agricultural commodities, we are not just doing these countries a favor. They are also doing us a favor. They are helping us to stabilize an agricultural program that has been hampered by the excess of surplus commodities in the warehouses. They are buying and paying for most of the commodities under this bill. Some of the debate here would lead Members of the House to believe that these countries are doing us a great favor by buying commodities that are in surplus in our warehouses today. We are doing this in order to help ourselves to try to do something for the American farmer. Judging from the debate and the amendments that have been offered to this bill, it is so confusing that I would venture to say that people reading the CONGRESSIONAL RECORD or sitting in the galleries and listening to the debate would think that we here today are talking about some great expansive international agreement or the appropriation of new funds to be expended by the Government, which is absolutely not the case. I would like all of you, my colleagues of the House, to consider this bill as a bill to dispose of agricultural commodities. It is a bill that has been brought to the floor of the House by the Committee on Agriculture and has had the unanimous approval of all the members of that great committee. Let us pass this bill and be about our business of trying to do something to

take care of our surplus commodity situation.

[Mr. HAYS of Ohio addressed the Committee. His remarks will appear hereafter in the Appendix.]

The CHAIRMAN. The Chair recognizes the gentleman from New York [Mr. DORN].

Mr. DORN of New York. Mr. Chairman, this amendment not only will prevent the sale of surplus agricultural produce to Poland, but it will prevent such sale to Communist China, to Communist Hungary, and to other Communist nations in the world. I believe that if we keep on going the way we are, we will soon be doing business with all of the Communist nations in this world.

It is a mistake. I wish to support the amendment offered by the gentlewoman from New York [Mrs. KELLY]. It is time that we in the House of Representatives take a stand against dealing with Communist nations. Oh, yes, some have said that Poland is not a Communist nation, but its leader and its spokesman Wladyslaw Gomulka is a Communist. Chester Bowles wrote from Warsaw just 4 months ago:

Gomulka is * * * still a Communist. He knows his Communist Party is a minority in an anti-Communist sea. Second, he knows that Poland is at the mercy of the Red army. * * * Poland is a long, long way from being out of the Soviet woods. On her eastern border are 100 Red army divisions, 20 more are to the west in Germany. The government in power, although in no mood to accept direct Soviet domination, is a Communist government. * * * As long as Germany remains divided Soviet divisions will remain there. Because its military communication lines run across Polish territory Moscow will allow only limited independence.

Of course, as someone has said, probably 98 percent of the people of Poland are non-Communist, but they were non-Nazi when they were under the domination of Germany. That does not mean that we should have helped Poland when it was Nazi controlled.

I am unalterably opposed to any means by which aid, financial, military, agricultural, or otherwise, may be extended to Communist countries. I have the greatest respect and sympathy for the Polish patriots—those brave men and their families who fled before the Nazi hords or who have remained to be tread under the Communist's heavy heel. If there were any way by which we, of the free world, could assure these particular people of our assistance without helping Russia and communism, I would be the first to applaud.

In the June 2 issue of the New York Times was a special dispatch telling of the visit of Edward Ochab, Poland's Minister of Agriculture to Moscow. While purportedly his visit was to participate in a Soviet agricultural exhibition at Moscow's invitation, it is significant to note that he was the Polish party's First Secretary until Gomulka's restoration to power last October. This augurs his sustaining strength and his ties to Soviet Russia. Only the week before, this same dispatch states Gomulka "conducted conversations with

Khrushchev, Soviet party chief, with unusual success."

In the June 6 issue of the New York Times, a dispatch from Warsaw dated June 5, reads, and I quote:

Wladyslaw Gomulka told the workers of Poznan today that Poland's alliance with Soviet Union was "necessary for Poland to exist." The First Secretary of the United Workers (Communist) Party also told them: "In the present political situation we are forced to abide by the Warsaw Pact." This is the military alliance linking the members of the Soviet bloc.

The dispatch goes on to say:

Part of the United States credit agreed upon, Mr. Gomulka said, has "such high interest compared to the terms of credit in Socialist countries that it becomes a burden."

"Despite the smallness of the total amount, considering our needs, the final agreement has helped our economic difficulties," Mr. Gomulka said. "In the present political situation it is important to remember that such credits carry political implications."

He made clear his belief that despite the "political implications" Poland had no alternative to the closest ties to the Soviet Union.

"There were many mistakes and many lies in our national life in the last 10 years," he said. "But there was one truth among it all, and this truth has always been said by our party and by every patriotic Pole: that the alliance with the Soviet Union is essential. We say this and we continue to say it not only because we love socialism but because we love our country, our nation, our Poland."

He was asked whether the Soviet Union would be in a position to guarantee Poland's postwar frontier on the Oder and Neisse Rivers. To this he replied:

"The Soviet Union can guarantee the Oder-Neisse frontier when we ourselves can guarantee to them that we will follow a policy of friendship with the Soviet Union and with the countries of the Socialist bloc."

These facts and these statements by Poland's top leaders would seem to leave no doubt as to the closeness of Poland's present Government to that of Communist Russia.

The reports from Poland have established that the sustenance of the Polish people, both in food and raw materials, has been drained off and sent to Russia. It is now being fed back in heartbreaking dribblets. I cannot believe that pouring our great wealth of surplus into Poland will come to any other end.

The basic difficulty with dealing with any Communist government is that Communists are not to be trusted. The word of a Communist government is no more valuable than the air into which it is uttered. The history of the last 40 years is replete with one Communist perfidy after another.

Until such time as we can find definite assurance from responsible governments that such aid, loans, or assistance as we may be able to offer will be used for the benefit of peoples and not governments, I believe we, in the legislative body, should direct the Executive to withhold any such offers.

(Mr. DORN of New York asked and was given permission to revise and extend his remarks.)

The CHAIRMAN. The Chair recognizes the gentleman from Illinois [Mr. GORDON].

(Mr. GORDON asked and was given permission to revise and extend his remarks.)

Mr. GORDON. Mr. Chairman, I rise in opposition to the amendment offered by the gentlewoman from New York [Mrs. KELLY]. Although this amendment does not mention Poland by name, it has for its object the denial of surplus agricultural commodities to Poland.

Of course, Poland has a Communist government. It is also true that under this same government the people have, to a measurable extent, been able to break away from the iron control of the Kremlin. Recent months have witnessed considerable strides by the Polish people in achieving a degree of freedom and reestablishment of their ties with the Western democracies.

The Polish people and the American people have a long tradition of mutual friendship. We should not overlook the fact that the Polish people are forced to follow a careful and restrained policy if they are not to endanger and lose the little they have recently gained in their struggle for freedom. I am personally convinced that the desire for human rights and justice and religious freedom is as strong today in the hearts of the Polish people as it ever was. We must not forget that Poland has seen in the brutal Soviet action in Hungary what premature action can bring.

I believe that our own interests require that we take a realistic approach to the situation in Poland. After the Polish revolution of October 1956, we promised aid to the Polish people. The Polish people need our help to secure the gains they have made. It may well be that we are taking a risk in supplying our agricultural commodities to Poland, but it is a risk well worth while.

If there is anything we can do in supplying agricultural surpluses to Poland which will help her attain some degree of economic security and make her less dependent on Soviet Russia, it is in our mutual interest to do so. The adoption of this amendment cannot possibly help our foreign policy. It would have a negative effect. In the words of Cardinal Wyszynski:

Do not commit this terrible mistake of refusing, for various political fancies, of refusing assistance, bread, and kindness to those, who are in such great need of assistance, bread, and kindness."

Mr. Chairman, I urge my colleagues in the House to vote against this amendment and I hope it will not be adopted.

The CHAIRMAN. The Chair recognizes the gentleman from Ohio [Mr. VORYS].

Mr. VORYS. Mr. Chairman, I will take time to read only two sentences from the voluminous precedents which show that the Kelly amendment is an unconstitutional attempt to take away from the President the authority he has under the Constitution of the United States, and give this power to Congress.

In Cannon's precedents, volume 7, page 305, it is stated:

Congress cannot deal with foreign powers.

Another quotation:

The Supreme Court of the United States has said that the President has the sole power of recognition.

Yet the Kelly amendment reserves this power solely to the Congress, the power to recognize friendly governments. We certainly should not establish such an unconstitutional precedent.

I regret we did not hear further from the gentleman from Michigan [Mr. BENTLEY] who has just recently returned from a study mission in Poland.

Mr. BENTLEY. Mr. Chairman, will the gentleman yield?

Mr. VORYS. I yield to the gentleman from Michigan.

Mr. BENTLEY. I would like to say to the Committee that when I went into Poland some 2 months ago, I went in there with as skeptical a mind on the question of Polish aid as any Member of the House could possibly have. But I came back convinced that although we may not be able to get Poland out from under Soviet political pressure, the passage of this bill and the extension of this assistance will definitely assist the Poles in getting away from economic domination by the Soviet Union and it will strengthen Poland's ties with the West.

Let me say further that I know that the Gomulka government is Communist. The gentleman from New York [Mr. DORN] said it is a Communist island in an anti-Communist sea. What we are interested in is the fact that 98 percent of the people of Poland are definitely anti-Communist and are trying to get away from control by Moscow.

Mr. VORYS. However, if we adopt the Kelly amendment we know there will be no agricultural surplus going to Poland under this law unless and until the Congress passes a concurrent resolution sometime in the sweet by-and-by.

Mr. BENTLEY. If the Kelly amendment were adopted it would mean that the contemplated amounts for assistance to Poland will be cut in half. Yesterday, I received a letter from our Ambassador at Warsaw to the effect that a great deal of the psychological advantage which we hoped to gain by this assistance to Poland has been lost already.

The CHAIRMAN. The Chair recognizes the gentleman from Illinois [Mr. O'HARA].

Mr. O'HARA of Illinois. Mr. Chairman, Chicago has the largest population of people of Polish descent of any city in the world. The gentleman from Illinois [Mr. GORDON], the distinguished chairman of the powerful Foreign Affairs Committee of this House, before he was city treasurer of Chicago was the business manager of a daily newspaper with the largest circulation in the world of Polish newspapers printed in the English language. The Polish Americans in Chicago constitute a fine, patriotic, proud, and religious segment of our population. They are looking for the day when Poland will be again free of the heel of the conquerer. They are all strongly in favor of the giving of aid at this time of trial and of crisis to the people of Poland as is here contemplated. I do not know of any better guide we can have for our action than the decision arrived at by these fine Polish American fellow citizens of ours, all of whom are agreed that it is necessary now to help Poland regain her freedom. Therefore, I am opposed to the pending amendment.

From Jamestown, where men of Polish blood helped in the laying of the foundations of the land that has become the world fortress of liberty, to the 85th Congress, in which our Chairman GORDON and many others of our distinguished colleagues of Polish blood, the pages of American history carry the imprint of Polish influence. Polish blood has been spent on every American battlefield and Polish sweat has gone into every work that has built our country into her position of world power.

My fellow Chicagoans of Polish blood abhor a communism that is based upon a philosophy of materialism and denies the existence of a god. No group of people in our own or any other land is more uncompromising or more militantly in combat with an ideology that would destroy every concept that to them makes life worthwhile.

While proud and noble Poland has been under the heel of a brutal and godless invader, in every Polish-American home in Chicago daily have prayers gone up for her liberation. While many generations of American citizenship separate the Polish-Americans of Chicago from the Poland of today there has been a continuing contact by Polish-Americans with those remaining in Poland and of the same family bloodlines. If there are Americans of any group who are qualified to pass upon the advisability of the program we have under consideration it is only commonsense to say that that group is composed of our fellow Americans of Polish blood and descent.

They would be the last people in the world to do anything or to encourage the doing of anything that would strengthen the Communist hold upon Poland. They would be the first people in the world to do anything that, in good conscience, could be done or encourage such doing, to loosen forever the hold on noble and proud Poland of a power that would supplant a government under God with a government of brutal materialism.

Anything that we in the Congress do, or anything that is done by anyone with human limitations, can prove to be the thing that should have been done or the thing that should not have been done. When the moment of decision comes to us in voting on the measures before this body we are guided by our understanding and by our consciences. Conscience cannot exercise itself unless there be understanding. From whence do we get our understanding? It has been my experience, as I am certain it has been the experience of my colleagues, that the best source of understanding is that which is given us by those closest to the problem; most earnest and most devoted to the attainment of the desired objective.

Our fellow Americans of Polish blood and descent recommend that we give this helping hand to the Polish people, even though the Polish Government was not established by the free choice of the Polish people but is much more moderate than its predecessor under the conqueror as a result of the revolt of the Polish workers. This course is recommended to us by every organization of Polish-Americans. It is recommended to us by

individual Polish-Americans of highest distinction and of the lowest station in life. Are we to turn to this recommendation ears that are deafened by our own conceit that we know better?

On every Polish anniversary occasion, I with my colleagues in this body pledge our support to the people of Poland in their fight for the light and life of freedom, and we pledge ourselves to stand by however long and dark the night until proud and noble Poland again is free. Mr. Chairman, I intend to keep my pledge. I will not now slap down our fellow Americans of Polish blood who recommend that to help the hungry and the needy and to advance the coming of the light of a new day to Poland we should take this course. I trust, Mr. Chairman, that the amendment will be defeated by such a vote that into every Polish heart in Poland, in our own country and throughout the world will come the joy of knowing that in the House of Representatives of the Congress of the United States the loyalty to the cause of a free Poland is a loyalty of action as well as of words.

Mr. BOYLE. Mr. Chairman, will the gentleman yield?

Mr. O'HARA of Illinois. I yield to the distinguished gentleman from Illinois.

Mr. BOYLE. Transmitting the grave constitutional problem posed by the amendment of the gentleman from New York [Mrs. KELLY] and appreciating the magnificent motivation which has urged her to introduce her amendment, I am compelled to urge the rejection of the Kelly amendment. Time is of the essence since the present law 480 expires on June 30, 1957. I would like to commend my distinguished colleague and friend the gentleman from Illinois [Mr. O'HARA] for his excellent statement. I want to associate myself with what the gentleman from the great Foreign Affairs Committee has stated. I share his philosophy, I share his feeling. He is truly representing the enlightened thinking of the Polish people of Chicago and of Illinois. It would be a shame to let any extraneous issues cloud our thinking to the extent that we would literally chase the Polish people into the Soviet Union Communist orbit. This is a very critical time in world history and the great Polish people do not have very much freedom of specification. Let us remember they have made many contributions to the society of free nations. If our conduct induce the Polish people, because of no other choice, to turn their direction totally to the Soviet bloc, the help extended should not be predicated because of our surpluses but as a gesture of goodwill. The exigencies of the moment demand we extend the hand of sympathy, the arm of compassion and our total essence on behalf of enlightened brotherhood.

(Mr. BOYLE asked and was given permission to revise and extend his remarks.)

The CHAIRMAN. The Chair recognizes the gentleman from Iowa [Mr. GROSS].

(Mr. GROSS asked and was given permission to revise and extend his remarks.)

Mr. GROSS. Mr. Chairman, I am delighted to hear some members of the Committee on Foreign Affairs now expressing the utmost concern for the preservation of the Constitution of the United States. I wish that they had been as much concerned last year when hearings were held before the Foreign Affairs Committee on the status of forces treaties and agreements by which the constitutional rights of American servicemen and their dependents are forfeited and they can be tried in foreign courts and incarcerated in foreign prisons.

I rise to ask somebody, perhaps some member of the Committee on Foreign Affairs, what has been the experience with the \$90 million loan that was made to Poland back in 1946 or 1947. Has any of that money been repaid? I understand we are now making a new loan agreement with Poland, and someone said here on the floor this morning that Poland has agreed to repay us in terms of interest at 4 percent on the money. Since no one cares to respond, I must assume the answer is that there have been no payments on the \$90 million loan made back in 1946 or 1947.

I would like to ask someone on the House Committee on Agriculture: what is the purpose of giving food to Poland? Is it to feed hungry people?

Mr. GATHINGS. Mr. Chairman, if the gentleman will yield, I will say to the gentleman that it is not a question of Poland alone.

Mr. GROSS. Wait a minute. Let us use Poland.

Mr. GATHINGS. We want to feed these people who are hungry.

Mr. GROSS. So as to feed the hungry people; is that correct?

Mr. GATHINGS. That is right.

Mr. GROSS. Then I wonder why in Poland they do not keep their canned pork and canned hams at home and feed their hungry people?

Mr. GATHINGS. I want to say to the gentleman that they do ship some of that ham over to this country—the gentleman is right—but the Polish people need other foods as well.

Mr. GROSS. Yes, about 25 million pounds of pork products last year.

Mr. GATHINGS. Surplus agricultural commodities could or should be bartered to Poland in exchange for scarce metals and defense needs of the United States.

Mr. GROSS. But if the Polish people are hungry, they ought to keep their fats and oils at home. I want to agree with the gentleman from Ohio [Mr. HAYS], who spoke of his concern about the exportation of mining machinery to Poland. I wonder what is going to happen when we ship mining machinery and technicians over there to teach them how to use it. What will happen to the exportation of American coal to Western Europe? I doubt whether in the history of this country we have ever exported more coal to Western Europe than we have in the past year or two.

The CHAIRMAN. The Chair recognizes the gentleman from New Jersey [Mr. SIEMINSKI].

[Mr. SIEMINSKI addressed the Committee. His remarks will appear hereafter in the Appendix.]

The CHAIRMAN. The Chair recognizes the gentleman from Vermont [Mr. PROUTY].

(Mr. PROUTY asked and was given permission to revise and extend his remarks.)

Mr. PROUTY. Mr. Chairman, I am not qualified to discuss the constitutional question which has been raised, but certainly if the Kelly amendment were to be adopted, Members of Congress would be setting themselves up as experts in the very complex and involved field of international relationships. I just do not feel so qualified. I think we have to rely on the judgment of the people who have the requisite background of knowledge and experience. Certainly if there were no other evidence to suggest that Poland is veering away from the yoke of Soviet tyranny, I think the mere fact that Cardinal Wyszynski and other high officials of the Catholic Church in that country, all endorsed the candidacy of Prime Minister Gomulka, not because he is a Communist but because they believed that he could with assistance from others gradually ease the Polish people from the yoke of Soviet tyranny.

Mr. FULTON. Mr. Chairman, will the gentleman yield?

Mr. PROUTY. I yield.

Mr. FULTON. Just to answer the question asked by the gentleman from Iowa [Mr. GROSS] with reference to the 1946 Polish loan; the Polish Government is 100 percent up to date in all its payments. It has made them all.

Mr. PROUTY. Let us not consider this question on a basis of blind and unreasoning emotionalism. Let us think of it realistically, objectively. I think the Polish people and their hopes for freedom will certainly be harmed tremendously if we approve this amendment which will deny them the help so desperately needed.

Moreover, the adoption of this amendment will be against the best interest of the American farmer, because it will place a needless restriction upon the disposal of farm surpluses.

The CHAIRMAN. The Chair recognizes the gentleman from Pennsylvania [Mr. FLOOD].

(Mr. FLOOD asked and was given permission to revise and extend his remarks.)

WHY POLAND SHOULD BE HELPED

Mr. FLOOD. Mr. Chairman, legally I consider the amendment unconstitutional and procedurally most mischievous.

Since the October upheaval in Warsaw, when, in the wave of unrest and discontent of the population, Polish Communists recognized the urgency of needed economic and political reforms, American sympathy for Poland has been growing rapidly. From humanitarian and, to some extent, diplomatic views, at least 90 percent of American press and radio and television commentators favor technical and economic help for Poland. However, in this gratifying wave of sympathy for the Polish people a sense of apprehension could be

detected. One question is being frequently asked—whether while helping Poland we would at the same time strengthen the Soviet Union and communism.

The answer to this question is an emphatic "No," for the following reasons:

First. The Polish people are painfully aware of the fact that Communist concepts of economy and industrial planning have brought them to the brink of disaster. The Communists themselves accepted this truth by retreating from such spheres of economic activities as the collectivization of farms which has been brought to a standstill and complete socialization of small private enterprises which has been abandoned.

These two examples prove beyond doubt that the Polish people have forced Communists to a considerable retreat from stubborn entrenchment in Marxist-Leninist theories and practices. And this is only the beginning. Given more time and moral as well as material support, the Poles will eventually go farther on the road to complete independence.

Second. Polish national interests, historic evolution, as well as cultural and spiritual ties with Western civilization, clash with Communist designs for world domination. Polish implacable hostility toward communism in general and toward Russian colonialism in particular is a proven fact of history.

There is no danger that by helping Poland economically we would be strengthening communism and the Soviet Union. On the contrary, stronger and more independent Poland would mean a gradual retreat of communism in Central and East Europe and would effectively oppose Russian designs for conquest.

Another argument is being set forth even by people whose sympathy toward Poland is sincere, that there is a great risk involved in helping the Polish people now. They say that American aid for Poland would provoke Russian wrath against the Poles. They add that the Polish people have already aroused Russian antagonism to a breaking point.

Let us bear in mind, therefore, that the Poles are well aware of the risk. They are willing to take it. The very fact that they asked us for help instead of begging the Kremlin for handouts proves beyond doubt that Poland wants to return to the western family of nations where her national birth placed her a thousand years ago. The Poles have already taken a risk by turning to the West. It should be evaluated as a calculated risk. They are risking far more in turning to us than we are risking in granting them help.

The stakes are high and worth the chance both for Poland and for the United States. In the long view of history, the Communist system of government forced on Poland by the might of Russian Army is only transitory. Poland as a nation successfully opposed "russification" in the past and, with her boundless devotion to freedom and democracy, will emerge victorious from Communist oppression. But she needs our help and fully deserves to be helped in her hour of dire need.

Finally, some aspects of Poland's foreign policy are being used in arguments

against a large-scale help. We should remember that Poland's current foreign policy is not of her own choice. It has been linked to Russia with full consent and support of the Western Powers at Yalta. Poland is not yet able to follow an independent course in foreign affairs. This can develop only in accordance with the amount of material and moral help that Poland could get from the West.

I will now read a resolution introduced by me on May 6:

Whereas the recent changes occurring in the Government of Poland, which tend to indicate that the present rulers of Poland have in some degree drawn themselves away from the strict control of the Kremlin, may have an important effect on the efforts of the United States to bring about peace in the world; and

Whereas these changes were forced upon the present rulers of Poland by a gallant people whose dedication to the principles of freedom dates back 1,000 years and was most recently demonstrated during the Poznan uprisings; and

Whereas, even though the Polish people do not yet enjoy complete freedom of assembly, freedom of the press, or free self-government, the present Communist rulers of Poland nevertheless mirror to some degree the diminution of the terror and exploitation which prevailed in Poland prior to the Poznan uprisings, and they have to some degree restored religious freedom in that country; and

Whereas it is essential that the United States encourage the further development of freedom in Poland as a part of a relentless struggle against the world Communist conspiracy which has unremittently sought to enslave mankind; Therefore be it

Resolved, That the House of Representatives expresses its continued opposition to the international Communist conspiracy which is attempting to enslave the world and with it eventually the United States. Despite the continued presence of Communist rulers in Poland, the House of Representatives recognizes that the people of Poland have made real gains toward freedom and should be encouraged to continue their peaceful efforts toward complete liberation from Communist rule. The House of Representatives extends to the people of Poland its warm and sincere congratulations for the magnificent manner in which they have conducted themselves in bringing about a significant break in the Iron Curtain, and pledges that the moral strength and material resources of the United States will be used, in the search for a just and lasting peace and for international security in a world where freedom reigns, to help the people of Poland in their difficult progress toward full freedom.

Sec. 2. It is the sense of the House of Representatives that, in order to provide immediate and effective support for the people of Poland in their struggle for complete liberation from Communist rule—

(1) the United States should speedily furnish substantial economic and technical assistance to the people of Poland, subject to careful control through the use of inspection teams or otherwise to insure that commodities and equipment so furnished will not be diverted to Russia or her satellites but will remain in Poland for the purpose of strengthening her internal economy and bolstering her people in their quest for freedom;

(2) the United States should seek permission from the Government of Poland for Americans to send CARE packages into Poland, and for recognized American relief agencies to enter that country and distribute surplus American farm commodities to the Polish people, until such time as

future harvests eliminate the near famine which has resulted from the coerced collectivization of Polish farms;

(3) mailing charges on packages being sent by Americans into Poland should be reduced so as to encourage a greater flow of such packages and a corresponding increase in help to the Polish people during the present economic crisis;

(4) the United States should seek, as a condition of economic and technical assistance, a reduction in (or the elimination of) the high tariffs presently imposed by the Polish Government on relief packages being sent into Poland from the United States.

(5) the United States should recognize Poland's western boundaries as established in the Potsdam agreement, thereby bolstering the faith of the enslaved nations of eastern Europe in American leadership, dispelling their fear that the revival of predatory militarism in Germany is being achieved with American help, and depriving Russia of her only claim for keeping Soviet troops in Poland;

(6) the United States should seek through diplomatic channels the return to Poland of her eastern lands which have been seized by Russia;

(7) the United States delegation to the United Nations should continue to press for free and unfettered elections in Poland so as to give to the people of Poland the complete freedom of self-expression which was in fact denied them in the recent alleged Polish elections;

(8) the United States should not release the \$75 million in Polish private assets presently frozen in the United States until the zloty-dollar exchange is brought to a more equitable level;

(9) the obsolete and unfair formula for determining quotas under the Immigration and Nationality Act should be changed to provide a more realistic quota system under which Poland and the other middle European nations would be granted larger quotas; and

(10) the Department of State should take immediate steps to enlarge its embassy staff in Warsaw to facilitate the issuance of immigration and tourist visas to Polish nationals.

The CHAIRMAN. The Chair recognizes the gentleman from Minnesota [Mr. AUGUST H. ANDRESEN].

Mr. AUGUST H. ANDRESEN. Mr. Chairman, it seems to me, with reference to the Kelly amendment that we should be very careful that we do not abandon the section of the Constitution which delegates to the President the authority to fix our foreign policy. That is within his province. He understands it much better than most of us here, perhaps with the exception of members of the Committee on Foreign Affairs who are all experts. But I think as far as I am concerned, while I may not always agree with the foreign policy, I think we are better off to leave it in the hands of the President who has his diplomatic staffs and agents throughout the world to keep him informed of what is going on in every country.

So I feel that the Kelly amendment should be defeated and should not become part of this bill.

The CHAIRMAN. The Chair recognizes the gentleman from New York [Mr. ROONEY].

Mr. ROONEY. Mr. Chairman, I rise in opposition to the pending amendment. It is indeed seldom that I find myself in disagreement with my distinguished colleague from New York [Mrs. KELLY].

However, I should be remiss if I did not point out that in this morning's New York Times there is an article by Sydney Gruson from Warsaw, Poland, under yesterday's date, which reads in part as follows:

CARDINAL WYSZYNSKI LEADS 300,000 IN WARSAW IN LARGEST RELIGIOUS MARCH SINCE 1930's

This capital was the scene today of an extraordinary display of Roman Catholic devotion and of the harmony now existing between the church and Poland's ruling Communists.

A great crowd, estimated by some policemen at 300,000, walked in the first Corpus Christi procession since Stefan Cardinal Wyszynski, Primate of Poland, was freed from house detention last year—the beginning of the church-state accord.

The tremendous turnout was yet another demonstration of the esteem in which the cardinal had come to be held.

I should like to read a translated extract or two from certain remarks made by His Eminence Stefan Cardinal Wyszynski to a group of American women of Polish descent who participated in the ceremonies at the conclusion of the Marian Year at Jasna Gora, in Poland, on the 3d of May last, on the subject of aid to Poland:

Your press is also deliberating as to whether one should aid Poland or not.

When you see your child sick, do you deliberate whether to aid it or not?

When you see your mother in distress, do you rack your brains and deliberate politically, whether it is fitting to hurry to her assistance or not?

Beloved children, do not make the great mistake of refusing—for various political considerations—aid, bread, your hearts, to those who need aid, bread, your hearts.

The nation needs aid, bread, and your hearts.

Mr. Chairman, I submit that the man who uttered these words has fearlessly stood under the guns of the Soviet Union for many years. He is no Red, no atheist, no Communist. I think he is qualified to speak in behalf of the freedom-loving Polish people, and I shall take his judgment in the premises rather than the judgment of others who cannot possibly be as acquainted with the situation in Poland as he is. We must be realistic about this matter of surplus agricultural products for Poland and we must hold out some hope to her people.

I am in agreement with the gentleman from Michigan [Mr. BENTLEY] in that while I oppose adoption of the pending Kelly amendment which as a lawyer I am sure is unconstitutional, and which would bar the sale of any of our surplus agricultural commodities to Poland, that this does not mean that I favor aid of any kind to Tito. I opposed the first Yugoslav loan and since then I have each year consistently opposed all military or economic aid for this Communist dictator.

On yesterday the distinguished, capable, and charming gentlewoman from New York [Mrs. KELLY] at the time she offered the pending amendment, inferred that if it were rejected it was possible that the Department of State might next advocate admission of Red China's representatives to the United Nations. In this connection let me say that the regu-

lar annual appropriation bill for the Department of State which bears my name as author and which was passed by the House and Senate, signed by the President on June 11, and thereby enacted into law, contains the following provision:

SEC. 105. It is the sense of the Congress that the Communist Chinese Government should not be admitted to membership in the United Nations as the representative of China.

A section similar to the foregoing section has been contained in each of the State Department appropriation bills bearing my name as author which have become law in the past 4 or 5 years and it is my intention to continue to vigorously resist admission of the Communist Chinese Government to membership in the United Nations.

The following are additional translated excerpts from the address given by His Eminence Stefan Cardinal Wyszynski at Jasna Gora on May 3 last:

Perhaps they will say about us there [in America], "You are going far; maybe you are going too far."

We shall reply: "Yes, truly we are going far. We often go very far, even to prisons, when necessary."

And for us this is not heroism. It is duty, which we perform calmly, with dignity and with the confidence that—ultimately God triumphs, because He is the Lord of this land, He is the Lord of the hearts which He animates and arouses for this land. He is the Lord of this people.

I read in the Polish-American press considerations and articles on the subject: Should Poles visit the motherland?

Opinions differ. Some accept it with enthusiasm, as a normal, natural thing, and others with reservations.

My answer is: Everyone has the right to do something about the feelings which are awakened in him, and everyone has the right to his motherland.

You, too, have it. And you do well when you show an independent judgment, an independent decision, and you come here to pray in common with us, to look at the motherland, to bring us joy.

If anyone should ask you: "What does the primate think—should the children of Poland visit their motherland or not?" you can reply that I answer boldly: "They have the right and even the duty to do so."

We are defending life, and we defend it as our first duty, because one must first live. And everyone who is aware of his community with the nation must remember that he has the duty to come to the aid of the nation, regardless of the conditions in which the nation finds itself, because that is the duty of natural law.

Everyone who can should come to the aid of those who are in dire need. And the Polish nation is in dire need.

In this respect my attitude may be very distinct and different, but full of conviction and full of truth, as I understand it.

We are here and want to remain here. We know the needs of the nation and we appeal for aid to that nation. We appeal, perhaps, at times in a manner which is very humiliating for us.

Let the statesmen defend the prestige of the nation . . . they sometimes have the duty not to go further than the prestige of the nation requires.

But I am not a statesman. I am a child of my nation.

And if there be a need to humiliate myself for the good of that nation, I will do it, regardless of any *raison d'etat*, of any policy.

My policy is first: To feed the hungry, to clothe the naked, to assure the poor of a

roof. Anyone anywhere can judge me as he sees fit. In this instance it makes no difference to me. I am performing my duty.

So I say:

Tell your sisters, tell your compatriots, tell your daughters, tell your husbands, that the primate of Poland on his knees—because he is not obliged to fight for his dignity—appeals to you for aid to the hungry, to the naked, to the sick (of whom there are terribly many in our land) and to the homeless.

On the issue presented by the pending amendment I prefer to err, if I do, in charity to a historically freedom-loving people. These are not American dollars with which we are concerned, these are surplus agricultural commodities which may subsequently go to waste and ruin. I am willing to support the administration's negotiated program for Poland in connection with these surplus products and I hope that when the roll is called on this issue there will not be a half dozen votes in support of the pending amendment. I urge its rejection.

The CHAIRMAN. The Chair recognizes the gentleman from Massachusetts [Mr. PHILBIN].

Mr. PHILBIN. Mr. Chairman, I rise in opposition to this amendment.

Mr. Chairman, I think it is of paramount importance that the Congress immediately pass this bill, and thus validate and implement the essential agreement for assistance to Poland.

I do not think any Member of this House seriously considers the Polish people or any considerable part of the Polish people as Communists. That would be a great injustice and a great error. They are historically a people and a nation that throughout the centuries has made very gallant, bloody struggles for freedom, and they have invariably associated themselves with the democratic nations of the world. They are our friends and now in their despair and distress they deserve our wholehearted support. I think it is of the utmost urgency that we move fast in this matter. We cannot afford to delay further in enacting this bill. We must not temporize with sacred human life. We will not do so.

I believe it is clearly demonstrated by this debate and by the quotations that were made from the recent remarks of a beloved and very distinguished spiritual leader of the Polish people, by the distinguished gentleman from New York [Mr. ROONEY], that human lives are at stake, lives of a great people who above all peoples on the democratic side have made bitter sacrifices for the cause of the free world.

I know that the House understands the dire and tragic need that this program will relieve. It is time to act with promptitude and dispatch. It is time to hold out the hand of compassion and sympathy and brotherhood to the suffering peoples of Poland. If this program does nothing else, if it achieves that end, it will more than justify its continuance.

So, Mr. Chairman, I am convinced that this bill, amended as it will be in accordance with the will of the House, is meritorious and should be passed forthwith. I hope that it will be speeded through

the other body and promptly be put into effect by the President.

In the name of humanity, as well as in our own interests, let us act favorably upon this bill now.

Mr. FULTON. Mr. Chairman, will the gentleman yield?

Mr. PHILBIN. I yield to the gentleman from Pennsylvania.

Mr. FULTON. May I compliment the gentleman on his fine statement for the people of Poland.

Mr. PHILBIN. I thank the distinguished gentleman.

[Mr. DONOHUE addressed the Committee. His remarks will appear hereafter in the Appendix.]

The CHAIRMAN. The Chair recognizes the gentleman from Arkansas [Mr. GATHINGS].

(Mr. GATHINGS asked and was given permission to revise and extend his remarks.)

Mr. GATHINGS. Mr. Chairman, just as the gentleman from Massachusetts has said, time is of the essence. This bill ought to be speedily enacted. June 30 is the deadline and the very last day. The act will expire at midnight on June 30.

The amendment offered by the charming lady from New York would require affirmative action of this Congress on the matter of who would be considered as a friendly nation. I believe those matters, and such decisions, should be left in the hands of the executive branch of the Government. Last summer Secretary of State Dulles came before our committee and made a splendid case for additional discretionary power with respect to this act. He wanted to strike out section 304 of the act and be given the authority to make bilateral agreements with certain nations behind the Iron Curtain in return for goods we needed. I wish that we had approved his suggestions in both Houses. Our committee was favorable to the Secretary's recommendations. He foresaw the trouble and unrest in the satellite nations. We should have given him the authority to move these surpluses into the hands of the needy people behind the Iron Curtain. I wish it had been done.

Mr. BENTLEY. Mr. Chairman, will the gentleman yield?

Mr. GATHINGS. I yield to the gentleman from Michigan.

Mr. BENTLEY. Was this strictly for barter purposes, not for sale but barter?

Mr. GATHINGS. For barter. That was the purpose of his coming before our committee, to give him the privilege to go in there and barter these various foods, and hold them up to the hungry mouths of those people who needed the food so badly. We, in turn, could get precious minerals and metals that we could use in our stockpile.

More elasticity is needed in this program, to my way of thinking. The amendment now under consideration would restrict the act and make it more rigid and difficult to administer. Secretary Benson and his associates have done a splendid job in moving these commodities.

Mr. Garnett, the Administrator, and Mr. Whipple, Assistant Administrator of the Foreign Agricultural Service, are entitled to the praise and plaudits of an appreciative people for their highly commendable service in the disposition of surplus agricultural commodities. Just to show you, let me read these figures. They have entered into 30 contracts with as many countries for the distribution of 2½ million bales of cotton, 22 million bags of rice, 430 million bushels of wheat, 150 million pounds of meat, 130 million pounds of dairy products, and many other commodities of various types, including 1.2 billion pounds of vegetable oils and feed grains, totaling 75 million bushels. The three main objectives of this program are being carried out and fulfilled and they are to regain and maintain our rightful markets in the world, to move out of our swollen warehouses these surpluses, thereby saving enormous storage costs.

I hope the amendment offered by the gentlewoman from New York will be defeated.

The CHAIRMAN. The Chair recognizes the gentlewoman from New York [Mrs. KELLY].

Mrs. KELLY of New York. Mr. Chairman, I want it clearly understood that I am not against the people of captive nations. I have in the past voted for and I will in the future vote to give agricultural surpluses to these people. Nor do I want at this point to bring religion into the issue. My only wish in life is that all peoples regardless of their faith will have their natural God-given rights and be recognized as children of God. If the President of the United States decided tomorrow that Red China or North Korea or North Vietnam were friendly nations, I wonder how the Members would vote on my amendment or I wonder how they would wish they had voted. That is the issue. If you do not vote for my amendment, you divest the Congress of any say in this critical and crucial matter which is the disposition of these surplus commodities and nothing else. I feel it is absolutely ridiculous to consider my amendment an invasion of the President's power. This is no more an invasion of the President's power than clause 1 of this section 107 of the bill because in clause 1 the Congress precludes the U. S. S. R. from being a friendly nation. Therefore, I believe, Mr. Chairman, that when this original definition of mine was accepted by the Committee on Agriculture and accepted by that able chairman, our former colleague from Kansas [Mr. HOPE] it could have been declared unconstitutional at that time. It has been in operation since that time. My amendment is not to clause 1 of section 107, but it is to clause 2. Therefore, if clause 2 as amended by me would be unconstitutional then you must declare that clause 1 is unconstitutional.

Mr. Chairman, I hope my amendment will be adopted.

The CHAIRMAN. The Chair recognizes the gentleman from Maine [Mr. McINTIRE].

Mr. McINTIRE. Mr. Chairman, I simply want to express my opposition to

this amendment. May I say that the factors involved, the issues underlying this discussion and the purpose of the amendment, are problems that I have given close consideration. While I feel that there is merit in an objective consideration of the issue, but it is not an instruction to attach this amendment to this legislation. Decisions should be reserved to the President.

Mr. Chairman, I urge the Members to vote against the amendment.

The CHAIRMAN. The Chair recognizes the gentleman from New York [Mr. WAINWRIGHT].

(Mr. WAINWRIGHT asked and was given permission to revise and extend his remarks.)

[Mr. WAINWRIGHT addressed the Committee. His remarks will appear hereafter in the Appendix.]

The CHAIRMAN. The Chair recognizes the gentleman from Texas [Mr. POAGE] to close the debate.

Mr. POAGE. Mr. Chairman, might I suggest to the membership that we have an important bill before us, one that everybody agrees is a sound bill, one that everybody thinks we need to continue, a program that has worked well—and that is saying a great deal for one of these agricultural programs—a program that almost everybody agrees with.

Now we have an amendment proposed that bears no relationship to the purpose of the legislation. Whether the purpose of the amendment is desirable or undesirable, it has nothing to do with the disposition of surpluses but is intended to impose a type of philosophy or thought about the government of some foreign nations. That is not a very relevant part of the legislation before us that we are trying to extend.

Whether you feel we should have a separate vote here every time we make a trade agreement or whether you do not, whether you feel that the Polish Government is controlled from Moscow or that the Poles are trying to establish a government of their own; whether you feel we should be of help to them, or not, it seems to me it is altogether out of place to use this bill, this successful program, as a vehicle on which to attach a program about which there is so much controversy and which we know would be so detrimental to this program of disposal of surpluses.

Mr. FULTON. Mr. Chairman, will the gentleman yield?

Mr. POAGE. I yield to the gentleman from Pennsylvania.

Mr. FULTON. Why should we bring in the question of the recognition of Communist China on the sale of our United States agricultural surplus products that are involved in the bill debated here, extending Public Law 480? This is farm legislation from the Agriculture Committee. Members of the Foreign Affairs Committee should handle consideration of major foreign affairs problems but not as amendments to farm legislation. Why do this today?

Mr. POAGE. I have not the slightest idea, I will have to say to the gentleman from Pennsylvania.

But I have observed that every time the Committee on Agriculture brings a bill onto this floor about six other committees want to help us write the legislation. I simply want to suggest to the Foreign Affairs Committee that when they bring in a bill sometime in the next few weeks, a bill which is similar in character to this bill I hope they will not feel it is out of place for us of the Agriculture Committee to try to write in some of the details.

Mr. BOLAND. Mr. Chairman, I rise in opposition to the amendment of the gentleman from New York and I sincerely hope that the House will vote it down. The effect of this amendment is to deprive Poland of any assistance under the provisions of Public Law 480, the extension of which is now under consideration by this committee.

In the debate on the amendment yesterday, it was said that no one in the House would now say that Poland is not now dominated by Moscow. I am one who, in the face of recent events and facts, is willing to declare that Moscow does not dominate Poland or the brave, courageous Polish people. The stirrings, declarations, and pronouncements that have emanated from the leaders of the Polish nation under Premier Gomulka ever since the upheaval of last fall tend me to believe that the leaders have veered away perceptibly and are not completely subservient to the Kremlin. Of course, the facts and events demonstrate that the Polish people generally have never been arrayed or ever will be found on the side of communism. For their whole character and makeup is opposed to any system that kills freedom of the individual and stifles the desires of a people to have a government of their own choosing.

The change in the political climate of Poland over the past months has been remarkable and it has been continuing. The Gomulka regime has removed the jamming of Western radio broadcasts. The Polish people are now free to listen and to learn. The newspapers of the Western world are now permitted in the stores and on the streets of Poland and the Polish people are no longer isolated of the world events and news. Cardinal Wyszyński is again free to mingle with his people and to travel outside of Poland as he recently did in his visit to the Vatican. The present Polish rulers are now permitting Americans and other westerners to visit Poland and to allow Poles to travel in the West. Those of us in this Congress who have been close to this situation know how difficult and how impossible it was to obtain visas for anyone to enter Poland or for anyone to leave Poland before the Gomulka government assumed control. And it is significant to note the number of people that are now freely traveling to and from Poland. All of these events have brought more freedom to this once completely dominated Communist country or whose government was Communist dominated. And we have been taking advantage of these avenues of freedom. We want these freedoms to continue and to grow. To turn our backs on the reali-

ties of the times and the great opportunities that are before the Western world would be tragic indeed. Here is another and a real and a great chance to prove to the world that we are willing and anxious to help people to cast off the shackles of slavery and domination. For if these people cannot turn to us, where will they turn? The answer, it seems to me is crystal clear for there is no other place, is to the Soviet. It is idle to believe that Poland can pull itself up by its own bootstraps. To think this, one would have to close one's eyes to the past 17 years from the time that Hitler started the destruction of Poland followed by the terrible slaughter of the Polish people and the shattering of her entire economy and the stifling of freedom by Stalin and his gang. Poland needs a big shot of American assistance. Under this bill we are debating she gets a start, a real start on the long road back. By this help we are giving the Polish people real hope that they can get a better break under the Gomulka's national communism than under a regime that is tied lock, stock, and barrel to Moscow.

Mr. Chairman, this bill helps to dispose of our surplus commodities. Poland will pay in her own currency and this money will be used to trade with her and to build up her own economy.

Mr. Chairman, I ask for the defeat of the amendment that would deny assistance under Public Law 480 to Poland.

The question was taken; and on a division (demanded by Mr. ROONEY) there were—ayes 5, noes 108.

So the amendment was rejected.

Mr. SMITH of Mississippi. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. SMITH of Mississippi: Add a new section, to be numbered properly, to read as follows: "That section 210 of the Agricultural Act of 1956, Public Law 540, 84th Congress (70 Stat. 202), is amended (1) by inserting after the word 'State' the words 'and local penal and,' and (2) by striking out 'for minors'."

Mr. SMITH of Mississippi. Mr. Chairman, this amendment is not one which is unfamiliar to the committee Members. It was considered in committee and at one time approved by the committee at a certain stage of the proceedings. I offer it today not in any attempt to impede Public Law 480 but because I think it offers an opportunity to accomplish what I believe is a desirable purpose in regard to our surplus food program.

The amendment would have the effect of making surplus foods available to local and State penal institutions. They are now available to penal institutions that are of the reform school type but they are not available to penal institutions generally. I do not understand the difference in the classification and why surplus food was made available to reform schools but was not made available to all penal institutions.

In this program where surplus food is being given away to public institutions of various types, given away for relief and things of that nature, and given

away in all types of distribution, we should make it available to our own public institutions. This amendment has been recommended by The American Correctional Association.

The language of the amendment provides that this surplus food be made available in addition to the regular normal purchases by these institutions. I think the merit of the idea is obvious to everyone. It would help supplement the diets of these people, and this is a very important matter to all of us. This surplus food should be made available to penal institutions throughout the country and I hope, therefore, that the committee will adopt the amendment.

Mr. COOLEY. Mr. Chairman, will the gentleman yield?

Mr. SMITH of Mississippi. I yield to the gentleman from North Carolina.

Mr. COOLEY. The amendment just adds "penal institutions." The law already provides for reformatories?

Mr. SMITH of Mississippi. The law makes it available to reformatories and this would make it available to all types of penal institutions.

Mr. COOLEY. Mr. Chairman, while I have no authority from the committee to accept the pending amendment I do want to say that our committee has considered this matter very carefully on 2 or 3 former occasions and, if my recollection is correct, on these former occasions our committee reported legislation of this type. The law does provide now that surplus foods can be made available to reformatories, and I see no real difference between a reformatory and a prison as far as the distribution of surplus food is concerned. Therefore, I have no further comment to make, and I ask for a vote on the amendment.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Mississippi [Mr. SMITH].

The amendment was agreed to.

Mr. COOLEY. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. COOLEY: Page 2, following line 3, add the following new paragraph numbered (4):

"Section 104 (e) of such act is amended by striking out the semicolon at the end thereof and adding a comma and the following: 'for which purposes not more than 25 percent of the currencies received pursuant to each such agreement shall be available through and under the procedures established by the Export-Import Bank for loans mutually agreeable to said bank and the country with which the agreement is made to United States business firms and branches, subsidiaries, or affiliates of such firms for business development and trade expansion in such countries and for the establishment of facilities for aiding in the utilization, distribution, or otherwise increasing the consumption of, and markets for, United States agricultural products: *Provided, however,* That no such loans shall be made for the manufacture of any products to be exported to the United States in competition with products produced in the United States. Foreign currencies may be accepted in repayment of such loans.'"

Mr. COOLEY. Mr. Chairman, this is a slight variation from the amendment which was adopted by the committee. I was instructed, I think by unanimous vote of the committee, to offer this

amendment. But, there has been a slight change in the amendment that I now have presented by the proviso which I will read:

Provided, however, That no such loans shall be made for the manufacture of any products to be exported to the United States in competition with products produced in the United States.

I introduce it with that explanation as a committee amendment. There was one other change which I am sure the members of the committee are entirely familiar with.

Mr. GROSS. Mr. Chairman, will the gentleman yield?

Mr. COOLEY. I yield to the gentleman from Iowa.

Mr. GROSS. Now, under the terms of this loan could foreign countries buy surplus feed grains from the United States?

Mr. COOLEY. Yes. But this amendment has no effect on that—it is in the law now.

Mr. GROSS. All right. Let me ask the gentleman this question: Having bought these grains, can they, for instance, feed hogs in foreign countries and then ship canned hams and other pork products into this country?

Mr. COOLEY. No. The proviso takes care of that: "No such loans shall be made for the manufacture of any products to be exported to the United States in competition with products produced in the United States."

Mr. GROSS. How are you going to distinguish? The Poles are now shipping pork into this country at the rate of about 25 million pounds of boned canned ham and other similar products a year. How can you determine whether the feed shipped over there at bargain prices is not used for this purpose? How do you break that down?

Mr. COOLEY. The gentleman realizes, of course, that the President has the authority to prevent the importation of agricultural products when it conflicts with our own agricultural program.

Mr. FULTON. Mr. Chairman, a point of order.

The CHAIRMAN. The gentleman will state it.

Mr. FULTON. I have been waiting for a question on the amendment, but, if they are starting to debate it, I have a point of order against the amendment. They are starting to debate it, and I want to reserve my point of order.

Mr. COOLEY. We have been debating it for about 5 minutes.

Mr. GROSS. Mr. Chairman, I submit the point of order comes too late.

Mr. FULTON. There was a question on the amendment, so I have a point of order on it.

Mr. COOLEY. All right. I make the point of order that the point of order comes too late.

The CHAIRMAN. The gentleman from Pennsylvania will state his point of order.

Mr. FULTON. I make the point of order that the amendment is not germane to this bill; that it is actually tariff legislation; and, secondly, that it is an impossible, indefinite amendment. It would mean a restriction abroad on the

production of plants without any time limit on it. First, it is tariff legislation; secondly, it is a restriction abroad that we have no control over in the United States of America.

The CHAIRMAN. The Chair would have to overrule the point of order because debate has been had on the amendment. The gentleman's point of order comes too late.

Mr. FULTON. Mr. Chairman, may I be heard on that point?

The CHAIRMAN. The Chair regrets that there is no point in discussing the matter. The Chair has ruled that the point of order comes too late.

Mr. FULTON. Mr. Chairman, may I be heard on that point? I had understood—

Mr. COOLEY. Mr. Chairman, I thought the Chair had already ruled.

The CHAIRMAN. The Chair has already ruled. I am sure the gentleman understands that points of order have to be made before there is debate upon the amendment. Debate has been had upon the amendment. The Chair, therefore, rules that the point of order comes too late. The Chair cannot hear the gentleman further.

Mr. GROSS. Mr. Chairman, will the gentleman yield?

Mr. COOLEY. I yield to the gentleman.

Mr. GROSS. The gentleman made some statement, when the interruption came, to the effect that there was some way by which these imports of pork products could be shut off.

Mr. COOLEY. The President already has the authority to prevent the importation of agricultural commodities that compete with our own commodities to the extent that they interfere with our farm programs.

Mr. GROSS. Surely, he does. Let me remind the gentleman that we in Congress passed, in good faith, the Battle Act, to deny aid to foreign countries that shipped strategic materials to Communist countries. Yet when the President was confronted with the question of shutting off aid to Britain and France, who admittedly were shipping strategic materials to Communist countries, he said that it was in the interest of the United States to continue to give aid to those countries, hereby completely nullifying the Battle Act. And the President will not intervene, and the gentleman knows it, to shut off the importation of agricultural products such as canned hams from Poland.

Mr. COOLEY. What can the gentleman from North Carolina do about it if your President does not act? The gentleman from North Carolina has no authority to compel him to act.

Mr. GROSS. I am saying that by the gentleman's amendment he is going to help increase the importation of certain agricultural commodities into this country.

Mr. COOLEY. No, it certainly will not do that. The purpose of this amendment is to make loans to American businessmen to build processing plants for agricultural commodities abroad, and for other purposes. It just provides an additional use for the funds rather than

to let the money rest in some banks in some 20-odd nations.

Mr. GROSS. And what did we do in Japan after the end of the war? We sent modern knitting machinery and technicians over there to teach the Japanese how to make knitted products that Americans would wear and today they have absorbed a substantial part of our production and have driven many of our knitted wear plants out of business.

Mr. COOLEY. That would not be possible under my amendment.

Mr. GROSS. Yet, but it is by just such enactments as this that Congress made it possible to do these things.

Mr. COOLEY. The gentleman is wrong. If we have given up control over these matters, we gave them up when we originally enacted the law. This is an effort to tie down at least 25 percent of the funds, to be used for a purpose that we think would be advantageous to the American taxpayer.

Mr. BROWN of Missouri. Mr. Chairman, will the gentleman yield?

Mr. COOLEY. I yield to the gentleman.

Mr. BROWN of Missouri. Mr. Chairman, I share the sentiments of the gentleman from Iowa [Mr. Gross] regarding the importation of pork products. But as I read the chairman's amendment, I believe the proviso that the chairman has included will definitely shut off these importations.

Mr. COOLEY. That is the reason I put the proviso in there. I will say to the gentleman from Iowa [Mr. Gross] that that was the reason and the one purpose of the proviso—to prevent loans for manufacture of products to be imported into the United States—including agricultural products such as hams.

The CHAIRMAN. The time of the gentleman from North Carolina has expired.

Mr. COOLEY. Mr. Chairman, I ask unanimous consent to proceed for 2 additional minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from North Carolina?

Mr. MASON. Mr. Chairman, I object.

Mr. JENSEN. Mr. Chairman, I am sure every Member of Congress knows that we have a great many people out of work in America today. The primary reason is that our tariff wall has been reduced year after year to such an extent that a flood of foreign goods are coming into this country and being sold so cheaply that our affected industries cannot compete.

Mr. Chairman, whatever this House does in this bill today, I hope we will not do anything that will in any way help American industry or industry of any other country build factories or processing plants in any foreign country to compete against our domestic industry. Much as I should like to help the peoples of the world, people that need and deserve help, we must not forget that if we do not keep our great buying power, our friends across the seas will really suffer.

Every year we buy billions of dollars worth of their products which they must sell and which we need. If the time ever comes when the American people no

longer buy those products, then our friends across the seas will really be in trouble.

There is another thing I want to talk about. The peoples of the world are all clamoring for American dollars. Those who buy for the Government of the United States and for private industry go all over the world and, knowing that those people want our dollars, buy cheaper than they should. In fact they say, "You need our dollars. We will pay you so much for these goods." Which is generally much too little. Then in order to build up their economy, Uncle Sam sends them billions upon billions of dollars for Christmas, so to speak, at all the United States taxpayers' expense.

It reminds me of the time I was a boy on the farm. Our neighbor always bought our calves. He would come over about September 1 and say to my father, "Martin, you have some calves about ready to sell, haven't you?" Dad would say, "Yes." "What do you want for them?" "What are you paying?" "Oh, \$12 a head." The price was always the same, \$12 a head. And Dad would sell them. But that neighbor always sent us a big sack of candy at Christmas time.

That is what we do. We buy from peoples all over the world for less than we should pay for their products, and then we send them billions of dollars to keep them in good humor and on our side, we hope.

I had an experience while I was in Japan a number of years ago. The press asked for a press conference with our delegation and a Japanese reporter asked us this question, "Do you think Japan would be better off in the long run to tie their business relations and their economy to China or to the United States?" Congressman McGrath, of New York, was chairman of the committee. He asked me to answer that one. So I gave them a lot of reasons why they should tie to the United States of America. I said, "The American dollar is good all over the world. We buy your silk and we buy your tea and we buy your toys. We buy almost everything you have for sale." I gave him a lot of reasons. So said I, "I am sure that Japan would be better off if they tied their economy and their trade relations to the United States." Then the reporter said, "That is what I thought your answer would be." I said, "What is wrong with it?" He said, "Well, only this, all your private purchasers and your Government purchasers come over here and they beat the price down on everything we have to sell to the point where we cannot pay our laboring people anything above a subsistence." Said he, "If the United States of America would pay what our goods are worth in America, we would need little financial assistance from the United States and would take care of ourselves, and all our relations with the United States would be greatly improved."

I hope the Members of Congress and our importers will really take this serious matter to heart, for certainly it has far-reaching implications. Nations are no different than most individuals regard-

less of who they are or where they are, they would rather stand on their own feet than to be obligated to anyone, at least when they are able to operate on their own power.

Mr. PELLY. Mr. Chairman, I offer a preferential motion.

The Clerk read as follows:

Mr. PELLY moves that the Committee of the Whole House do now rise and report the bill back to the House with the enacting clause stricken out.

Mr. PELLY. Mr. Chairman, what I have to say is said with the greatest respect. I am a Member of the Congress, but I am not a member of the Committee on Agriculture. Like many of the Members who have been in this Chamber during both days of debate on this bill, I have thought that I had a right to look to the members of the Committee on Agriculture for leadership and guidance. I have been present through this entire debate and I have seen the chairman of the Committee on Agriculture in several instances not defend the committee against what I considered certain crippling amendments.

Mr. COOLEY. Mr. Chairman, will the gentleman yield?

Mr. PELLY. I yield.

Mr. COOLEY. The gentleman evidently was not listening to me a moment ago. I said this is a committee amendment.

Mr. PELLY. I heard the gentleman say the amendment was almost similar to one supported by the committee.

Mr. COOLEY. And we have only had 1 amendment adopted, or 2 amendments.

Mr. PELLY. What I want to say is said in the greatest respect but the gentleman has not defended the bill against attack.

Mr. COOLEY. The last amendment adopted was an amendment that had been reported by our committee on 3 or 4 different occasions. It could not possibly be construed as an attack on the bill.

Mr. PELLY. I want to explain the confusion caused by the chairman.

Mr. COOLEY. The chairman has not confused the gentleman.

Mr. PELLY. Mr. Chairman, I cannot yield further until I make this explanation.

First of all, the chairman of the committee said he would accept personally certain amendments, but that he did not speak for the rest of the committee. This was with reference to earlier amendments. Later on, he did present and support an amendment which came up, which he said was a little bit different in form. But, in any event, I want to repeat that I look to the members of the Committee on Agriculture who have heard the committee testimony on this agricultural extension act for leadership and for support of the position of the committee. I do not think I have seen that in this instance. Personally, I am going to vote against the bill unless some of the amendments that have been accepted are stricken out later on when the time comes.

Mr. COOLEY. Will the gentleman be kind enough to specify the amendments to which he objects?

Mr. PELLY. One amendment, to be specific, would be the Thompson amendment on cotton. I urge its defeat. I do support legislation to reduce CCC surplus commodities as reported by the full Agricultural Committee. I trust my statement here and position are clear. Certainly I have intended in no way to reflect on the actions of the chairman of the Agricultural Committee or any member.

Mr. ABERNETHY. Mr. Chairman, I move to strike out the last word.

I am not going to oppose the motion, Mr. Chairman, in fact, I think I am going to vote for it. I am going to do so reluctantly, however. We have now spent about 3 days in an effort to pass a bill, a pretty good bill, incidentally, which was requested by the administration. It is wanted by President Eisenhower, Secretary Dulles, and Secretary Benson. They want the bill, and for 3 days now we have been trying to pass it. But there does not seem to be very much cooperation. If we had a little better cooperation, I think perhaps we could have gotten the bill for them. Evidently no one wants the bill—that is, not many in the House, especially among the Republicans.

So, that being their attitude, I suggest we go along with the gentleman's motion, strike out the enacting clause and get on with something that somebody does want.

Mr. ARENDS. Mr. Chairman, will the gentleman yield?

Mr. ABERNETHY. I yield.

Mr. ARENDS. I have listened very attentively to what the gentleman said about the President, the Secretary of States, and others.

Mr. ABERNETHY. I was not saying that critically.

Mr. ARENDS. I agree with what the gentleman says about this bill. I think it is absolutely correct, 100 percent correct.

I wonder if there has been any desire on their part to have incorporated in this bill what I term to be the needless amendment that was adopted yesterday.

Mr. ABERNETHY. I could not answer the gentleman; I do not know, but the amendment which was adopted yesterday is certainly not the crux of all the controversy we have here. This matter has been shuttled off into so many different channels and so much criticism has been made of the Committee on Agriculture—I happen to be a member of that committee—that we are just beginning to tire of it. This is one instance in which we have done our best to cooperate and assist the leaders of this administration. But we are not getting much cooperation from where it is most needed or most expected. So I suggest that the House ought to adopt the preferential motion offered by the gentleman from Washington and get on with something else.

Mr. LAIRD. Mr. Chairman, will the gentleman yield?

Mr. ABERNETHY. I yield.

Mr. LAIRD. I have been sitting here throughout the consideration of this bill and I have not noticed that there have been many crippling amendments.

Mr. ABERNETHY. I am not speaking of amendments.

Mr. LAIRD. As a matter of fact, no amendment was offered from this side of the aisle.

Mr. ABERNETHY. I am not speaking altogether of amendments; I am speaking of the general attitude of many in the House who have for 3 days criticized everything about this bill, including the Committee on Agriculture. Evidently the House does not want the bill, so I am suggesting that we adopt the preferential motion and get on to something the Members do want. If the Members do want the bill, then let us put an end to this marathon of controversy and pass it.

The CHAIRMAN. The time of the gentleman from Mississippi has expired; all time has expired.

The question is on the preferential motion.

The motion was rejected.

The CHAIRMAN. The question recurs on the amendment offered by the gentleman from North Carolina [Mr. COOLEY].

The question was taken; and on a division (demanded by Mr. COOLEY) there were—ayes 75, noes 56.

So the amendment was agreed to.

Mr. ARENDS. Mr. Chairman, I move to strike out the last word.

(Mr. ARENDS asked and was given permission to revise and extend his remarks.)

Mr. ARENDS. Mr. Chairman, an amendment passed yesterday would authorize the Commodity Credit Corporation to donate raw cotton, mattress ticking, sheeting, and blanketing to States for distribution to needy persons and charitable institutions. The amendment contemplates that the State distributing agencies—which handle the distribution of surplus foods—would be responsible for financing the cost of further processing these materials into mattresses, sheets, and blankets.

I strongly feel that the House should reconsider its action of yesterday. Such a program cannot make a contribution to the effective disposal of CCC inventories. In fact, these donations are certain to replace the regular purchases of cotton products—especially by the institutions that would be receiving the mattresses, blankets, and sheets.

First, there is a practical limit to the number of mattresses, blankets, and sheets a family or institution can use. Thus, if the Federal Government makes them available without cost, there is no reason why these families will continue to buy such products. Thus, a program the Congress passes in the name of surplus disposal is, in fact, a program to reduce the regular markets of the cotton industry.

Second, few, if any, States would find it practical to undertake the expenses involved in contracting for the manufacture of these donated cotton materials into mattresses, sheets, and blankets. When a program of this type was operated during the depression years, the manufacturing was done in WPA sewing projects—at no cost to the State. Even then—when the need for

such a program certainly could better be defended, only 657,000 bales of cotton were moved in the 5 years the program was in operation. I do not see, therefore, how we can expect such a program to contribute to the cotton disposal program under present-day conditions.

You will recall that the Department of Agriculture found it was impractical to give wheat and corn to States when the States had to bear the expense of processing these grains into flour and meal. If that program did not prove possible, I cannot see how we could expect that States will be in a position to finance the manufacture of mattresses. If this legislation should pass, the Congress would soon be faced with the necessity of putting CCC in the mattress business. Is that what you want—more Government in business in competition with your people?

Third, this program would require the Commodity Credit Corporation to take on added expenses that could not be justified. In addition to the investment in the raw cotton, it would cost more than \$100 a bale for the CCC to process cotton into mattress ticking, sheeting, and blanketing. Not proposed in Committee nor considered. And, added to that, would the costs of hiring additional employees to contract for the processing and supervise State administration of the program. And, all this would be authorized at a time when the administration and the Congress is seeking every means of holding down Federal expenditures.

I know every Member of the House is seeking ways to constructively use our surplus agricultural inventories. But this program will only add to the difficulties faced by the cotton industry and to the costs of the Federal Government.

Also, the addition of this amendment to the bill gets away from the real purpose of Public Law 480, to define CCC commodities abroad. Also, the amendment might well place in jeopardy the final passage of this worth while and objective legislation. Let us not load this bill with this unneeded amendment. On a rollcall vote, which will be had, the amendment should be defeated.

The program authorized in this amendment cannot—for all the expenditures involved—result in any significant increase in domestic consumption of cotton. It will, in fact, jeopardize the industry's market among the institutions and families that would be receiving free mattresses, blankets, and sheets.

When the time comes to request a separate vote on any amendment, I shall demand a separate vote on this amendment, and I trust the House in reconsidering this matter, in view of the information it has on the whole problem, will reject the amendment, go ahead with the basic purpose of the bill as reported by the Committee on Agriculture of the House, and get it over to the Senate for action.

Mr. COOLEY. Mr. Chairman, I move to strike the last two words.

Mr. Chairman, if I might temporarily divorce myself from my position as chairman of the Committee on Agriculture, I would like to speak as a mere Member of the House in favor of the

amendment which was adopted, and to which the gentleman from Illinois has just referred.

Basically, this amendment is perfectly sound and I cannot see any reason why we are willing to give cotton and other fibers to all the needy of the universe and deny it to our own needy people in this country. Under the law we make available to all of our needy people the entire amount of food we have in storage and we have adopted an amendment here today which does not seem to be very controversial making this food available to prisoners, to people who have committed infamous crimes and are now incarcerated. We make food available to orphanages and mental institutions. Now, the only proposition here is to make some cotton available to the poor people in America who just cannot afford to buy cotton goods.

Now, the situation could never arise as has been indicated by the speaker who just preceded me, that the market for American textiles would be taken over by the Federal Government as the result of this amendment. That is not true at all, because the only person that would be eligible for this raw cotton would be some poor person who has been certified as eligible.

Now, in the State of Pennsylvania alone we are told that there are 611,000 people that cannot even buy food. Now, if they cannot buy food, how can they afford to buy mattresses for their children to sleep on or a cheap blanket to keep them warm in the wintertime? Now, we are being generous with everybody on earth except with our own people. I grant you that we are not going to get rid of an awful lot of cotton as the result of this, but we will get rid of some. The relief aspects have more appeal to me than the economic values involved. I submit it is a good amendment and it should be put into operation. We had a similar program to this back in the days of the depression, and I have seen people in my own little town take these mattresses with deep gratitude, people that had been sleeping on shucks and straw. What is wrong with having a mattress to sleep on and a blanket to keep them warm?

Now, you say it is going to cost \$100 a bale. It is not going to cost that; I do not think it will cost over \$75 a bale to give it away under the old mattress program. It costs \$70 a bale to put our cotton in the foreign export market under a subsidy program, and as the result of that subsidy program it has cost the taxpayers of America \$535 million in the last 18 months, and this program certainly could not approach any such sum as that.

Mr. FULTON. Mr. Chairman, will the gentleman yield?

Mr. COOLEY. I yield to the gentleman from Pennsylvania.

Mr. FULTON. Could a southern Congressman from south Pittsburgh ask why, this being a bill for the disposal of surplus agricultural commodities, and cotton is a surplus agricultural commodity, cotton should be discriminated against?

Mr. COOLEY. Well, that is it. It is just the idea that somebody has pro-

posed here. Now, I am frank to say that we have bills before our committee providing for this very program, but we cannot pass this sort of a program over Presidential veto. We cannot pass it, perhaps, with Mr. Benson's objection out of our committee. But I know one thing: The President of the United States will not find this amendment so obnoxious that he will veto this bill. I do not think anybody would be foolish enough to even suggest the possibility of a veto. It is just the idea that we want to be generous with everybody else in kingdom come except our own people.

Mr. MORANO. Mr. Chairman, will the gentleman yield?

Mr. COOLEY. I yield to the gentleman from Connecticut.

Mr. MORANO. Was not this amendment adopted in the Committee of the Whole?

Mr. COOLEY. Certainly; but the gentleman from Illinois said he would demand a separate vote. I hope the committee will vote to keep this amendment.

Mr. McGOVERN. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I will not use all the 5 minutes. I had intended to offer an amendment at this point, but I am withdrawing it lest it further complicate the passage of this fine bill which provides for the constructive use of American farm surpluses. The amendment that I had planned to offer contains a concept that I hope will in the near future become a part of Public Law 480. I am referring to the extension of that program to give greater assistance to the voluntary agencies that have done such a wonderful job of implementing the program to date.

Now, under the present provisions of the law, it is possible for Public Law 480 surplus foods to be used by the voluntary agencies, by religious and humanitarian and charitable organizations, in the distribution of food abroad. These agencies are carrying on that function with great credit to themselves and to the tremendous advantage of America's relations abroad. Last year alone private American agencies distributed more than 1 billion pounds of surplus food.

But we have not yet seen fit to grant authority to these same voluntary agencies to use Public Law 480 funds for carrying on medical work, the training of practical nurses and medical personnel, the carrying on of educational programs, and other humanitarian activities that have been so important a part of our efforts to assist our brothers in other countries.

I think we have reached a point, in terms of some of the basic things that we are trying to achieve in American foreign policy, where we ought to give much greater attention than we have thus far to the tremendous role that these private voluntary agencies can play. The best conceived foreign-aid programs under the sponsorship of our Government have oftentimes been misinterpreted by foreign countries as evidence on our part of a desire to control their economies or to dictate to them politically. But no such objection has ever been raised to aid programs carried on by religious organizations or by charitable or humani-

tarian groups from this country. The peoples of the world know that the religious institutions of America and our charitable and philanthropic organizations are motivated only by their belief in the dignity and brotherhood of man.

I hope that in the very near future the Committee on Agriculture and the Congress itself will see fit to extend this Public Law 480 program so that we can make greater use of the facilities and the personnel provided by our great voluntary agencies.

Mr. ZABLOCKI. Mr. Chairman, I rise in support of H. R. 6974, the bill to extend the Agricultural Trade Development and Assistance Act of 1954.

This legislation was enacted by Congress to aid in disposing of our surplus agricultural commodities through various means calculated to bring some permanent benefits to our entire Nation.

These means include the sale of our surplus agricultural commodities for foreign currency, barter, and domestic and foreign donations.

There is no doubt but that this legislation has been of tremendous assistance in aiding to reduce our vast stock of surplus agricultural commodities. United States farm exports, for instance, increased with the help of this legislation from approximately \$3 billion in fiscal 1954 and fiscal 1955 to an estimated \$4.5 billion in the current fiscal year. I am confident that, with the continuation of this program, we will be able to make an even more impressive record in the year to come.

These export gains are needed to help us solve our agricultural surplus problem. According to the recent annual report of the Secretary of Agriculture, the Commodity Credit Corporation has between \$8 billion and \$9 billion tied up in supporting the prices of agricultural commodities. During the last fiscal year, the CCC's net realized program losses amounted to almost \$1 billion.

Surely it is good sense on our part to stimulate the export of agricultural surplus and to work for a reduction in the huge surpluses which are crowding all available storage facilities and depressing the overall agricultural situation.

I believe that the program which the legislation before us proposes to extend has proved to be useful and constructive. We should continue it, and, I for one, am strongly of the opinion that the legislation merits our active support.

Mr. GEORGE. Mr. Chairman, needless to say, I was extremely disappointed in the action taken by the Public Works Subcommittee of the Appropriations Committee, in deleting an item of \$85,000 for final planning on the Elk City—Table Mound—Dam and Reservoir project.

When I checked with members of the subcommittee, I discovered that the information supplied to members of this committee by the staff inadvertently had this project listed as a new start, which was not true, as it was an appropriation to complete planning; \$165,000 had previously been allocated by your committee for this project.

When your committee established the policy of no new starts in considering

the budget for fiscal year 1958, and when the membership glanced down to the Elk River project and saw it listed as a new start, no question was raised when writing up the final bill, as to the deletion of this item.

It seems to me that this project was the victim of an unfortunate error in the preparation of the worksheet, and I hope that when your conferees meet with the Senate conferees in the finaling out of this bill, consideration will be given to the error that has been made, and that the error will be rectified.

I have been reliably informed by numerous members of your committee that it always has been customary to pass the final appropriations for planning on projects that are as far along as this one, without controversy.

Again, I wish to state I hope that this error may be restified in your conference with the Senate conferees, so that equal treatment may be granted by your committee to the people of the Third Congressional District of Kansas, that has been extended to other sections of the United States.

This \$85,000 is to complete planning of the Elk City—Table Mound—Dam and Reservoir project. It is not for a new start as \$165,000 for planning has already been appropriated and spent.

Mr. DONOHUE. Mr. Chairman, with deepest appreciation and respect for the most earnest and sincere motives of our distinguished colleague, the gentlewoman from New York, who so conscientiously and capably fulfills her legislative responsibilities, I am nevertheless impelled to speak and vote against this proposed amendment designed to provide for congressional determination of friendly nations, under the language of this bill.

In my studied judgment, the dangers of disastrous and unjust discrimination, inherent and inevitable, in the provisions of this amendment make it most doubtful and uncertain that it would work out in the wholesome and patriotic manner I know is sincerely envisioned by the gentle lady.

For instance it could, and very probably would, develop that the courageous and long-suffering people of Poland, currently in such desperate need of even basic foods, might be determined ineligible to participate in and benefit from this surplus-commodity distribution and exchange program.

While it is true that Poland is now within the Soviet orbit it is just as true, as their great history demonstrates, that the Polish people will never succumb to attempted Communist infusion of principle and philosophy based on atheistic godlessness. The Polish people have valiantly and continuously opposed and refused to bend under the iron heel of cruel and ruthless Russian tyranny for over 36 years and they will never surrender their Christian heritage to the Kremlin leaders or any other oppressor. The blessed beliefs in individual dignity, liberty, and allegiance to the Almighty burn brightly in the hearts and minds of all Poles and they will forever.

This country and the free world is under enormous debt to heroic Poland and it would be most unwise to unwittingly provide evidence upon which a mistaken impression could be generated that we were abandoning or neglecting their continuing basic welfare. While there is some element of gamble in this situation it is a gamble on the side of the good Polish people and the divine providence that watches over them and all of us. There is no doubt that the Polish people are our ally. There is no gamble in this Nation and the free world doing everything within reason to maintain and encourage the high spirit and unparalleled fortitude of the Polish people to fight on against Communist imperialism to the blessed day when she will regain her freedom and independence; please God may that day not be distant.

The CHAIRMAN. There being no further amendments, under the rule, the Committee rises.

Accordingly the Committee rose; and the Speaker pro tempore (Mr. COOPER) having resumed the chair, Mr. HAYS of Arkansas, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill (H. R. 6974) to extend the Agricultural Trade Development and Assistance Act of 1954, and for other purposes, had directed him to report the bill back to the House with sundry amendments adopted by the Committee of the Whole.

The SPEAKER pro tempore. Under the rule, the previous question is ordered. Is a separate vote demanded on any amendment?

Mr. AUGUST H. ANDRESEN. Mr. Speaker, I ask for a separate vote on the cotton-mattress amendment adopted yesterday in Committee of the Whole.

The SPEAKER pro tempore. Is a separate vote demanded on any other amendment? If not, the Chair will put them en bloc.

The amendments were agreed to.

The SPEAKER pro tempore. The Clerk will report the amendment on which a separate vote is demanded.

The Clerk read as follows:

Amendment offered by Mr. THOMPSON of Louisiana: Page 2, following line 3, add the following new section:

"SEC. 2. The Agricultural Trade Development and Assistance Act of 1954 is amended by adding at the end thereof the following new section:

"SEC. 306. (a) The Commodity Credit Corporation is authorized, on such terms and under such regulations as the Secretary may deem in the public interest, to donate raw cotton, and mattress ticking, sheeting, and blanketing made of cotton, to such State, Federal, or private agency or agencies as may be designated by the proper State or Federal authority and approved by the Secretary, for use in the United States in assisting needy persons, and in charitable institutions, including hospitals, to the extent that needy persons are served.

"(b) The Secretary, before making any donations under this act, shall obtain such assurances as he deems necessary that—

"(1) such raw cotton and such cotton products will be used by the recipient agency in a program under which such cotton and cotton products will be processed into finished mattresses, sheets, and blankets and distributed among needy persons,

"(2) the recipients of such raw cotton and such cotton products will not diminish

their normal expenditures for cotton and such cotton products by reason of such donation.

"(c) (1) In order to facilitate the appropriate disposal of such raw cotton and cotton products, the Secretary may from time to time announce the quantity thereof which will be available for distribution.

"(2) The Commodity Credit Corporation may pay, with respect to cotton and cotton products disposed of under this act, the cost of acquiring such commodities (unless procured from the stocks of such Corporation), and the cost of reprocessing, packaging, transporting, handling, and other charges accruing up to the time of their delivery to a Federal agency or to the designated State or private agency.

"(3) For the purposes of this act, the terms "State" and "United States" include the District of Columbia, Puerto Rico, and each Territory or possession of the United States."

The SPEAKER pro tempore. The question is on the amendment.

The question was taken; and on a division (demanded by Mr. AUGUST H. ANDRESEN), there were—ayes 79, noes 121.

Mr. THOMPSON of Louisiana. Mr. Speaker, I demand the yeas and nays.

The yeas and nays were refused.

So the amendment was rejected.

The SPEAKER pro tempore. The question is on the engrossment and third reading of the bill.

Mr. THOMPSON of Louisiana. Mr. Speaker, I make the point of order that a quorum is not present.

The SPEAKER pro tempore. The Chair will count. [After counting.] Two hundred and thirty-seven Members are present, a quorum.

The bill was ordered to be engrossed and read a third time, and was read the third time.

Mr. MASON. Mr. Speaker, I offer a motion to recommit.

The SPEAKER pro tempore. Is the gentleman opposed to the bill?

Mr. MASON. I am, Mr. Speaker.

The SPEAKER pro tempore. The gentleman qualifies. The Clerk will report the motion of the gentleman from Illinois to recommit the bill.

The Clerk read as follows:

Mr. MASON moves that the bill be recommitted to the Committee on Agriculture.

Mr. COOLEY. Mr. Speaker, I move the previous question on the motion to recommit.

The previous question was ordered.

The SPEAKER pro tempore. The question is on the motion to recommit.

The motion was rejected.

The SPEAKER pro tempore. The question is on the passage of the bill.

Mr. AUGUST H. ANDRESEN. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were ordered.

The question was taken; and there were—yeas 344, nays 7, not voting 82, as follows:

[Roll No. 119]

YEAS—344

Abbitt	Allen, Ill.	Andrews
Abernethy	Andersen,	Arends
Adair	H. Carl	Ashley
Addonizio	Anderson,	Ashmore
Albert	Mont.	Aspinall
Alexander	Andresen	Auchincloss
Allen, Calif.	August H.	Avery

Baker
Baldwin
Baring
Barrett
Bass, N. H.
Bass, Tenn.
Bates
Becker
Beckworth
Beleher
Bennett, Fla.
Bennett, Mich.
Bentley
Berry
Betts
Boggs
Boland
Bolling
Bolton
Bosch
Boykin
Boyle
Bray
Breeding
Brooks, La.
Brooks, Tex.
Broomfield
Brown, Ga.
Brown, Mo.
Brown, Ohio
Brownson
Broyhill
Budge
Burleson
Bush
Byrd
Byrne, Ill.
Byrne, Pa.
Byrnes, Wis.
Canfield
Cannon
Carnahan
Carrigg
Chamberlain
Chelf
Chenoweth
Chiperfield
Christopher
Chudoff
Church
Clevenger
Coad
Coffin
Cole
Cooley
Cooper
Corbett
Cramer
Cretella
Cunningham, Iowa
Cunningham, Nebr.
Curtin
Curtis, Mass.
Dague
Davis, Ga.
Dawson, Utah
Delaney
Dempsey
Dennison
Denton
Derounian
Devereux
Dies
Dingell
Dixon
Donohue
Dorn, N. Y.
Dowdy
Doyle
Dwyer
Elliott
Engle
Evins
Fallon
Fascell
Felghan
Fenton
Flood
Flynt
Fogarty
Forand
Ford
Forrester
Fountain
Frazier
Frelinghuysen
Friedel
Fulton
Garmatz
Gary
Gathings
Gavin
George

Gordon
Granahan
Gray
Green, Oreg.
Green, Pa.
Gregory
Griffin
Griffiths
Gross
Gubser
Gwinn
Hagen
Hale
Haley
Halleck
Harden
Hardy
Harris
Harrison, Nebr.
Harrison, Va.
Harvey
Haskell
Hays, Ark.
Hays, Ohio
Hemphill
Henderson
Heseltun
Hess
Hiestand
Hill
Hoeven
Hollfield
Holland
Holmes
Holt
Horan
Hosmer
Huddleston
Hull
Hyde
Ikard
Jackson
Jarman
Jenkins
Jennings
Jensen
Johnson
Jonas
Jones, Ala.
Jones, Mo.
Judd
Karsten
Kean
Kearns
Kee
Keeney
Kelley, Pa.
Kilburn
Kilday
Kilgore
King
Kirwan
Kitchin
Knox
Laird
Landrum
Lanham
Lankford
Latham
Lennon
Lesinski
Lipscorn
Long
McCarthy
McCulloch
McDonough
McFall
McGovern
McGregor
McIntire
McMillan
McVey
Maedonald
Mack, Ill.
Mack, Wash.
Madden
Magnuson
Mahon
Mailliard
Marshall
Martin
Matthews
May
Meader
Morrow
Metealf
Michel
Miller, Calif.
Miller, Md.
Miller, Nebr.
Miller, N. Y.
Mills
Minshall
Moore
Morano

Morgan
Morris
Morrison
Moss
Moulder
Muitert
Mumma
Natcher
Neal
Nicholson
Nimtz
Norblad
Norrell
O'Brien, Ill.
O'Hara, Ill.
O'Konski
Osmers
Ostertag
Passman
Patman
Pelly
Perkins
Pfost
Philbin
Plicher
Pillion
Poage
Poff
Polk
Porter
Preston
Price
Prouty
Rabaut
Radwan
Ray
Reed
Rees, Kans.
Reuss
Rhodes, Ariz.
Rhodes, Pa.
Riehlman
Riley
Roberts
Robson, Ky.
Rodino
Rogers, Colo.
Rogers, Fla.
Rogers, Mass.
Rogers, Tex.
Rooney
Roosevelt
Rutherford
St. George
Saylor
Schenck
Schwenge
Scott, N. C.
Scrivner
Seudder
Seely-Brown
Selden
Shelley
Shuford
Sieminski
Siler
Simpson, Ill.
Simpson, Pa.
Sisk
Smith, Miss.
Smith, Va.
Smith, Wis.
Spence
Springer
Staggers
Stauffer
Steed
Sullivan
Taber
Talle
Teague, Calif.
Tewes
Thomas
Thompson, La.
Thompson, N. J.
Thompson, Tex.
Thomson, Wyo.
Thornberry
Tollefson
Trimble
Tuck
Udall
Ullman
Utt
Vanik
Van Pelt
Van Zandt
Vinson
Vorys
Wainwright
Watts
Weaver
Westland
Whitener
Whitten

Widnall
Wier
Wigglesworth
Williams, N. Y.
Willis

Wilson, Ind.
Winstead
Wolverton
Wright

Yates
Young
Younger
Zablocki

NAYS—7

Alger
Hoffman
Johansen

Kelly, N. Y.
Mason
Smith, Calif.

Smith, Kans.

NOT VOTING—82

Anfuso
Ayres
Bailey
Barden
Baumhart
Beamer
Blatnik
Blitch
Bonner
Bow
Bowler
Buckley
Burdick
Cederberg
Celler
Clark
Collier
Colmer
Coudert
Curtis, Mo.
Davis, Tenn.
Dawson, Ill.
Dellay
Diggs
Dollinger
Dooley
Dorn, S. C.
Durham

Eberhart
Edmondson
Farbstein
Fino
Fisher
Grant
Healey
Hébert
Herlong
Hillings
Holtzman
James
Kearney
Keating
Keogh
Kluezyński
Knutson
Krueger
Lane
LeCompte
Loser
McConnell
McCormack
McIntosh
Machrowicz
Montoya
Murray
O'Brien, N. Y.

O'Hara, Minn.
O'Neill
Patterson
Powell
Rains
Reese, Tenn.
Rivers
Robeson, Va.
Sadlak
Santangelo
Saund
Scherer
Scott, Pa.
Sheehan
Sheppard
Sikes
Taylor
Teague, Tex.
Teller
Vursell
Walter
Wharton
Williams, Miss.
Wilson, Calif.
Withrow
Zelenko

So the bill was passed.

The Clerk announced the following pairs:

Mr. Hébert with Mr. Taylor.
Mr. Keogh with Mr. Keating.
Mr. Buckley with Mr. Baumhart.
Mr. Walter with Mr. Vursell.
Mr. Anfuso with Mr. Sheehan.
Mr. Rains with Mr. O'Hara of Minnesota.
Mr. Holtzman with Mr. Collier.
Mrs. Blitch with Mr. Coudert.
Mr. Colmer with Mr. Dellay.
Mr. Santangelo with Mr. Dooley.
Mr. Dorn of South Carolina with Mr. Beamer.
Mr. Bonner with Mr. James.
Mr. Bailey with Mr. Wharton.
Mr. Farbstein with Mr. Scott of Pennsylvania.
Mr. Durham with Mr. Sadlak.
Mr. Zelenko with Mr. McIntosh.
Mr. Healey with Mr. McConnell.
Mr. Machrowicz with Mr. Bow.
Mr. Teller with Mr. Cederburg.
Mr. Powell with Mr. Fino.
Mr. Dawson of Illinois with Mr. Ayres.
Mr. Celler with Mr. Kearney.
Mr. Bowler with Mr. Krueger.
Mr. Clark with Mr. Curtis of Missouri.
Mr. Dollinger with Mr. Patterson.
Mr. O'Neill with Mr. Scherer.
Mr. Kluezyński with Mr. Withrow.
Mr. Sheppard with Mr. Wilson of California.
Mr. Williams of Mississippi with Mr. Burdick.
Mr. Blatnik with Mr. LeCompte.
Mr. Loser with Mr. Hillings.

Mr. HOFFMAN changed his vote from "yea" to "nay."

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

(Mr. ALGER asked and was given permission to extend his remarks at this point in the RECORD.)

Mr. ALGER. Mr. Speaker, I regret that so few share my disapproval of this bill. This in no way lessens by objection. There are other ways of disposing of our agricultural surplus besides giv-

ing it away. There are other means to provide for our needy. I too believe we must dispose of the surpluses, and help those less fortunate.

I hold simply that it is not the role of the Federal Government to feed, clothe or house our citizens or citizens of other nations. This is socialism; this is flagrant disregard for traditional constitutional government, United States style; this is flagrant disregard for States rights through asserting Federal prerogatives. Therefore, I oppose the bill.

CONTINUING IN EFFECT HOUSE RESOLUTION 190 AND HOUSE RESOLUTION 386, 83D CONGRESS

Mr. WILLIS. Mr. Speaker, I offer a privileged resolution (H. Res. 21) and ask for its immediate consideration.

The Clerk read the resolution, as follows:

Resolved, That effective from January 3, 1957, the provisions of House Resolution 190, 83d Congress, agreed to March 26, 1953, and House Resolution 386, 83d Congress, agreed to August 1, 1953, are continued in effect.

The resolution was agreed to.

A motion to reconsider was laid on the table.

(Mr. WILLIS asked and was given permission to extend his remarks at this point in the RECORD.)

Mr. WILLIS. Mr. Speaker, in 1953, certain members, former members, and employees of the Un-American Activities Committee of the House of Representatives were named as defendants in the case of Wilson, et al., against Loew's, Inc., et al.

This proceeding contained 23 separate causes of action brought by 23 persons against certain motion-picture companies, their executives and certain members, former members, and employees of the Committee on Un-American Activities. The plaintiffs sought recovery of damages, both actual and punitive, to the extent of \$2,250,000, or a grand total of \$51,750,000 for all.

The complaint in the above-entitled suit alleged a conspiracy on the part of all the defendants and alleged also that the members of the committee had acted both in their official capacity with relation to the said House Un-American Activities Committee and individually in nonofficial capacities. Under House Resolution 190, the Committee on the Judiciary under its then chairman, the late Mr. Reed, of Illinois, appointed a subcommittee to carry out the authorized study and investigation. The subcommittee then retained Guy Richard Crump, Esq., of Los Angeles, Calif., as counsel to represent the members and former members of the Un-American Activities Committee, as well as the staff who had been named defendants in the case. Prior thereto, the defendant members of that committee and its staff had been ably represented by Slate & Sawtelle, also of Los Angeles, Calif., who were continued in the case as associate counsel by authorization of the subcommittee of the Committee on the Judiciary.

On August 1, 1953, the House passed House Resolution 386 which continued the authority contained in the earlier

House Resolution 190 and further authorized the Committee on the Judiciary to arrange for the defense of members, former members, and employees of the Committee on Un-American Activities in any suit thereafter brought against such individuals. Both resolutions also authorized the Committee on the Judiciary to incur all necessary expenses for the purposes authorized, including such items as expenses of travel and subsistence, employment of counsel and other persons to assist it and also, if deemed advisable by the Committee on the Judiciary or a subcommittee, to employ, counsel to represent any and all members of the House Committee on Un-American Activities who might be named as party defendants in any such action or actions. This, of course, included the case of *Michael Wilson, et al.*, against *Loew's Inc., et al.* The payment of these expenses were to be made from the contingent fund of the House of Representatives on vouchers authorized by the Committee on the Judiciary and signed by the chairman thereof and approved by the Committee on House Administration.

As a result of the representation of the attorneys retained as counsel for these members, former members, and employees, the circuit court of Los Angeles County set aside the summonses and subpoenas that were issued upon the non-residents of the State of California. The subpoenas against Messrs. Doyle and Jackson were recalled and quashed but the service of summons was held valid. As to the defendant Wheeler, an employee of the committee, both the summonses and subpoena were ruled valid. This action took place after a special appearance had been entered on behalf of the House defendants and a motion had been made to set aside and quash subpoenas and depositions.

On July 9, 1954, demurrer filed by the defendants to the complaint was sustained. Plaintiffs thereupon filed an amended complaint to which the defendants again demurred and were sustained. On September 16, 1954, plaintiffs appealed from that ruling. On that appeal briefs were filed and oral argument held in the district court of appeals, the second appellate district in the State of California. Those involved in the appeal were Messrs. Doyle, Jackson, and Wheeler. That court affirmed the judgment of the superior court sustaining the demurrers and dismissing the complaint.

Petition was then filed with the Supreme Court of the State of California, but the petition was denied.

On November 5, 1956, a petition for writ of certiorari was filed in the Supreme Court of the United States. Briefs were submitted by all parties, including one by the American Civil Liberties Union, southern California branch, as amicus curiae. On January 21, 1957, the petition for the writ of certiorari was granted. The matter is now pending before the Supreme Court of the United States.

To date counsel has been paid fees in the sum of \$2,550 to Mr. Crump, which entails services rendered for 17 days, at \$150 per day, and the sum of \$2,500 to

Slate & Sawtelle for legal services rendered of 136 hours, plus \$96.36 for out-of-pocket expenses, making a total of \$2,596.36.

Since the above payment, Mr. Crump has submitted an additional bill for the sum of \$1,746.45 for services and out-of-pocket expenses on an appeal, covering the period from September 1, 1955, to November 1, 1956. These expenses are broken down as follows:

Legal services for 11 days, at \$150 per day	\$1,650.00
Printing respondents' brief	96.45

It is expected that additional moneys will be necessary to pay for the legal services which will be rendered in connection with the case now pending before the Supreme Court of the United States. In order that these legal fees and expenses may be paid and also subsequent fees, it is necessary that this resolution be favorably approved. This is due to the fact that the authority to retain these attorneys and to pay them from the contingent fund of the House expired at the termination of the 84th Congress.

Therefore, the Committee on the Judiciary recommends favorable enactment of House Resolution 21.

FOOD-STAMP PLAN TO DISTRIBUTE SURPLUS FOOD

(Mrs. SULLIVAN asked and was given permission to address the House for 1 minute.)

Mrs. SULLIVAN. Mr. Speaker, I was on my feet seeking recognition in order to offer a motion to recommit H. R. 6974 before the passage a few moments ago of that bill extending Public Law 480, but could not get recognition because, under the rules of the House, the minority party has priority in offering motions to recommit. Had I been recognized, I intended to offer a motion to recommit the bill to the Committee on Agriculture with instructions to report the bill back forthwith with an amendment establishing the food-stamp plan to distribute our surplus food to needy people on the relief rolls in this country. I am extremely sorry this was not accomplished in this bill. I have reservations about the bill because of this omission. Nevertheless, I voted for the passage of the bill, because I feel we must continue authority now expiring for the programs it does cover.

GENERAL LEAVE TO EXTEND REMARKS

Mr. POAGE. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to extend their remarks on the bill just passed, H. R. 6974.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Texas?

There was no objection.

FURTHER MESSAGE FROM THE SENATE

A further message from the Senate, by Mr. Carrell, one of its clerks, and

nounced that the Senate agrees to the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 6500) entitled "An act making appropriations for the government of the District of Columbia and other activities chargeable in whole or in part against the revenues of said District for the fiscal year ending June 30, 1958, and for other purposes."

The message also announced that the Senate recedes from its amendment No. 1 to the above-entitled bill.

GOVERNMENT SPENDING VERSUS GOVERNMENT BUDGET

(Mr. MCGREGOR asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. MCGREGOR. Mr. Speaker, for several weeks we have been discussing Government spending versus Government budget. We cannot blame the Appropriations Committee for appropriating the money when we, who are Members of Congress and are members of legislative committees, authorize that appropriation. I believe we should assume our responsibility and, if we want to cut down expenditures which are not absolutely essential and necessary to the welfare of our country, vote no when unnecessary subjects and projects are presented to us for authorization.

The records will show that I have voted consistently for reduction in expenditures, except where our expenditures are necessary for our welfare and the protection of our freedoms. The foreign aid bill will again soon be on the floor of Congress for our consideration. Although I am not a member of the Foreign Affairs Committee which handles this legislation, I sincerely hope that the Committee will carefully scrutinize and analyze, yes, with a "fine-tooth comb," every request and every expenditure for foreign aid. I firmly believe that in this period of high taxes, high living costs, and large national debt we should hold financial aid to foreign lands at a minimum, if at all. We have many people in this country who are finding it hard to pay taxes, raise a family, and maintain a living standard which our freedoms grant to us.

I cannot help but make the observation that some people in foreign lands will "sit in the shade" as long as we continue to give them handouts. It seems ridiculous to me that this great Nation, which is in debt more than any other, should continue to give finances to those countries which are in debt the least.

JOINT COMMITTEE ON THE DISTRICT OF COLUMBIA

Mr. SMITH of Virginia. Mr. Speaker, I call up the concurrent resolution (H. Con. Res. 172) to establish a joint congressional committee to investigate matters pertaining to the growth and expansion of the District of Columbia and its metropolitan area and ask for its immediate consideration.

The Clerk read the resolution, as follows:

June 24 1957

15. FARM PROGRAM. Reps. Christopher and McCarthy criticized the farm program.
pp. 9144-46
16. FOREIGN TRADE; SURPLUS DISPOSAL. Passed with amendment S. 1314, to extend the Agricultural Trade Development and Assistance Act of 1954 (Public Law 480) for one year, to increase the authorization under Title I from \$3 billion to \$4 billion, and to authorize \$300 million additional under Title II for famine relief. The amendment substituted the language of H.R. 6974 as passed by the House June 24. p. 9119
17. WHEAT. A subcommittee of the Agriculture Committee ordered reported with amendment H.R. 6784, to exempt certain wheat producers from liability under the Agricultural Adjustment Act of 1938 where all the wheat crop is fed or used for seed or food on the farm. p. D568
18. PROPERTY. The Agriculture Committee reported with amendment H.R. 2259, to provide for the conveyance of a small tract of FHA land in Prairie Co., Ark., to private individuals (H. Rept. 622). p. 9156
19. ADVISORY COMMITTEES. The Government Operations Committee filed a supplemental report on H.R. 7390, to amend the Administrative Expense Act of 1946 so as to require reports to Congress prior to the establishment of certain advisory committees (H. Rept. 576, pt. 2). p. 9155
20. RECLAMATION. The Interior and Insular Affairs Committee reported S. J. Res. 39, to authorize the construction of certain water-conservation projects to provide for a more adequate supply of water for irrigation purposes in the Pecos River Basin, N. Mex. and Tex. (H. Rept. 609). p. 9155
21. FORESTRY. The Agriculture Committee reported without amendment H.R. 7520, to authorize the sale to the village of Central, N. Mex., of certain lands administered by the Forest Service which were formerly a part of the Ft. Bayard Military Reservation (H. Rept. 621). p. 9156
22. SECURITY. Received the report of the Commission on Government Security pursuant to Public Law 786, 84th Congress. p. 9155
23. RESEARCH. Rep. Dixon commended the work of the President's Bipartisan Commission on Increased Industrial Use of Agricultural Products, and reviewed the outstanding features of the report of the Commission. pp. 9152-55
24. CONTRACTS. Passed without amendment H.R. 7168, to prescribe policies and procedures for construction contracts made by executive agencies. pp. 9134-41
25. FOREIGN TRADE. Rep. Lanham criticized State Department actions under the Trade Agreements Act, and charged it was trying to usurp the constitutional authority of Congress to regulate foreign commerce and to determine tariff rates. pp. 9142-43
26. ATOMIC ENERGY. Passed with amendments S. 2243, to provide congressional review of Atomic Energy Commission determinations which affect the civilian reactor power program. A similar bill, H.R. 7992, was laid on the table. pp. 9126-33

SENATE (Continued)

27. INTERIOR APPROPRIATION BILL. The Senate committee inserted a provision in this bill, H.R. 5189, which is described in the committee report as follows:

"During the course of the hearings it was brought to the attention of the committee that the trust territory was not eligible to receive surplus foods from the Department of Agriculture, and that there was a need in the schools and hospitals for certain types of foods that the Department of Agriculture has available. Therefore, the committee recommends the inclusion of a provision in the bill to place the trust territory in the same status as States, Territories, and possessions in receiving such surplus foods."

ITEMS IN APPENDIX

28. WATER RESOURCES. Sen. Neuberger inserted a speech, "A Basis for the Total Development of Waters in the Northwest," concerned with the wise and fullest use of our water resources. pp. A4996-7
29. BUDGETING. Sen. Kennedy inserted several editorials favoring S. 434, a bill to implement a basic reform recommended by the Hoover Commission, which would bring about important improvements in our budgeting and accounting procedures. pp. A5001-2
30. SECURITY. Sen. Case, N.J., inserted 2 editorials regarding the report of the Commission on Government Security, and stated "this is a most important one, and the comments of these two distinguished publications point up some of the major considerations." pp. A5003-4
31. FOREIGN AID. Rep. Bentley inserted Eugene W. Castle's address, "More Yankee Trade, Less Foreign Aid," which included statements that the amount in this Department's budget for foreign aid should be included in the total foreign aid bill, and that "moreover, foreign currency received from these food sales spells trouble..." pp. A5007-9
Rep. Fulton inserted testimony presented before the House Foreign Affairs Committee showing the working of the 1958 program for humanitarian purposes in conjunction with mutual security legislation. p. A5034
32. FORESTRY. Sen. Bennett inserted an article, "Why I Am Opposed to the Wilderness Preservation Bill." Sen. Bennett stated that "we resist attempts...to stifle future development of our water resources, our mining resources, our livestock industry, and our lumber industry, through a rigid program which will not serve the best interests of the general public."
33. ELECTRIFICATION. Sen. Yarborough inserted a report relating how a great multiple-purpose dam can be built by the combined efforts of men of vision. pp. A4998-9
Extension of remarks of Rep. Van Zandt discussing advances which have been made toward creating electric current through atomic energy and inserting an article, "Atomic Power Development Slowed By Cheaper Sources of Electricity--United States Utilities Probe Use of H-Bomb." pp. A5016-7
34. FAMILY FARM. Rep. Huddleston inserted his recent address before the Ala. Ass'n of County Agricultural Agents, "The Small Farmer's Battle for Survival." pp. A5037-9
35. STATEHOOD. Del. Burns inserted an index of congressional hearings on statehood for Hawaii. p. A5040
36. RECLAMATION. Rep. Horan inserted an editorial, "Reclamation Pays Its Way," pointing up the value of reclamation. pp. A5045-6

tiement bill out and to provide this incentive to the morale of the Metropolitan Police force so that the head of that force can get the actual strength up to the authorized strength.

Mr. MULTER. Mr. Speaker, I move to strike out the last word.

Mr. Speaker, I wish to associate myself with those who have urged the enactment of this bill. It is a good bill. If there are any defects in it, and my attention has been called to none, they can be worked out as experience may dictate, after the bill is enacted. It is high time this legislation was enacted for the benefit of the large corps of civil servants in the District.

Home rule for the District of Columbia will relieve Congress from the burdens of this kind of legislation.

In the absence thereof, we would be derelict in our duty if we failed to pass this bill.

Mr. McMILLAN. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to extend their remarks on this subject in the RECORD.

The SPEAKER pro tempore. Without objection, it is so ordered.

There was no objection.

Mr. McMILLAN. Mr. Speaker, I move the previous question.

The previous question was ordered.

The SPEAKER pro tempore. The question is on engrossment and third reading of the bill.

The bill was ordered to be engrossed and read a third time and was read the third time.

Mr. O'HARA of Minnesota. Mr. Speaker, I offer a motion to recommit.

The SPEAKER pro tempore. Is the gentleman opposed to the bill?

Mr. O'HARA of Minnesota. I am.

The SPEAKER pro tempore. The gentleman qualifies.

The Clerk read as follows:

Mr. O'HARA of Minnesota moves to recommit the bill H. R. 6517 to the District of Columbia Committee for further study.

The SPEAKER pro tempore. The question is on the motion to recommit. The motion was rejected.

The SPEAKER pro tempore. The question is on passage of the bill.

The bill was passed.

A motion to reconsider was laid on the table.

AGRICULTURAL TRADE DEVELOPMENT AND ASSISTANCE ACT OF 1954

Mr. POAGE. Mr. Speaker, I ask unanimous consent for the immediate consideration of the bill (S. 1314) to extend the Agricultural Trade Development and Assistance Act of 1954, and for other purposes.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Texas?

There was no objection.

The Clerk read the bill, as follows:

Be it enacted, etc., That the Agricultural Trade Development and Assistance Act of 1954, as amended, is amended as follows:

(1) Sections 109 and 204 of such act are amended by striking out "1957" and substituting in lieu thereof "1958."

(2) Section 103 (b) of such act is amended by striking out "\$3,000,000,000" and inserting in lieu thereof "\$4,000,000,000."

(3) Section 203 of such act is amended by striking out "\$500,000,000" and inserting in lieu thereof "\$800,000,000."

(4) Section 304 of such act is deleted.

Mr. POAGE. Mr. Speaker, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. POAGE: Strike out all after the enacting clause and insert the provisions of the bill H. R. 6974, as passed.

The amendment was agreed to.

The bill was ordered to be read a third time, was read the third time, and passed.

A motion to reconsider was laid on the table.

HOUR OF MEETING TOMORROW

Mr. ALBERT. Mr. Speaker, I ask unanimous consent that when the House adjourns today it adjourn to meet at 11 o'clock tomorrow.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Oklahoma?

There was no objection.

SUPPLEMENTAL POST OFFICE DEPARTMENT APPROPRIATIONS, 1958

Mr. GARY. Mr. Speaker, under unanimous consent obtained last Thursday, I call up the joint resolution (H. J. Res. 379) making supplemental appropriations for the Post Office Department for the fiscal year 1958 and for other purposes, and ask unanimous consent that it be considered in the House as in Committee of the Whole.

The Clerk read the title of the joint resolution.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Virginia?

There was no objection.

The Clerk read the joint resolution, as follows:

Resolved, etc., That the following sums are appropriated, out of any money in the Treasury not otherwise appropriated, for the Post Office Department for the fiscal year ending June 30, 1958, namely:

POST OFFICE DEPARTMENT

Current authorizations out of postal fund

Administration and Research

For an additional amount for "Administration and research," \$2 million.

Operations

For an additional amount for "Operations," \$90 million.

Transportation

For an additional amount for "Transportation," \$24 million.

Facilities

For an additional amount for "Facilities," \$17 million.

Mr. GARY. Mr. Speaker, I move to strike out the last word, and ask unanimous consent that my time be extended 10 minutes.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Virginia?

There was no objection.

Mr. GARY. Mr. Speaker, this is a joint resolution providing for a supplemental appropriation for the Post Office Department. The Post Office Department submitted to the Congress a supplemental request for the fiscal year 1958, which begins on July 1 next, of \$149,500,000. Our committee has unanimously recommended an appropriation of \$133 million, which is a reduction of \$16,500,000 in the Department's request. The original request for funds for the Post Office Department for the year 1958 was \$3,250,000,000. You will recall that the House upon recommendation of our committee cut those funds \$58 million and appropriated \$3,192,000,000 in the regular appropriation bill. The total recommended for 1958 with this supplemental appropriation is \$3,325,000,000. That is an increase of \$75 million over the original request. It is an increase of approximately \$300 million over the appropriation for 1957.

I think it is fair to the Post Office Department to say that in the \$300 million increase are included some mandatory payments which are being made in accordance with laws subsequently adopted by the Congress. In other words, the retirement fund contribution for 1958, which has been transferred by law from the general fund of the Treasury to the Department, amounts to \$131,482,059. There will be an extra work day in 1958, which will cost the Department \$6,552,042.

The within-grade promotions require \$24,523,679 and the biannual surety bond premium \$400,000. This makes a total of \$162,957,780, but that still leaves a balance of \$136,702,220 over and above the mandatory payment.

The department insists that this full amount is made necessary because of the increased volume of mail. I want to be perfectly frank with the Members of the House, and to say to you that I think the amount which our committee has recommended is too high. In my opinion the Department could operate with much less than this amount by instituting proper economies and by making some adjustments which would not seriously curtail the necessary services of the Post Office Department.

Mr. MORANO. Mr. Speaker, will the gentleman yield?

Mr. GARY. I yield.

Mr. MORANO. I am concerned about reports that have appeared in the press that there may be a Saturday closing of the Post Office and all services turned off on Saturday. I was wondering whether this subcommittee has officially recommended that such be done in order for the Department to live within the amount recommended by the committee.

Mr. GARY. I will answer the gentleman by saying that this committee has not recommended any curtailment of any services and the committee believes that the amount which this appropriation would give the Post Office Department will be ample for them to operate on without any serious curtailment of services and without any reduction in the number of its employees.

Mr. MORANO. If the gentleman's committee has decided that there would not need to be any curtailment of serv-

ices on Saturday, then where does the gentleman think a saving can be made so that this appropriation will be sufficient for the needs of the Post Office Department?

Mr. GARY. Any administrator who cannot save \$16 million out of a total appropriation of \$3,325,000,000 to my mind is not making a proper contribution toward economy which the country is demanding at the present time.

Mr. MORANO. Then will the gentleman agree that the services to be rendered by the Post Office Department in the next fiscal year need not in anyway be curtailed under this appropriation?

Mr. GARY. Certainly not seriously curtailed. If the gentleman will permit me to proceed for just a few moments, I will discuss that.

Mr. MORANO. I thank the gentleman.

Mr. BASS of Tennessee. Mr. Speaker, will the gentleman yield for a question?

Mr. GARY. I yield.

Mr. BASS of Tennessee. Can the distinguished gentleman from Virginia tell me whether he has any information in relation to the Postmaster General also curtailing or about to put an embargo on third-class mail effective as of July 1?

Mr. GARY. I will answer that too, if the gentleman will just permit me to proceed for a few moments.

Mr. BASS of Tennessee. I thank the gentleman.

Mr. GARY. During this entire discussion, the Postmaster General has insisted that they cannot save enough money to cut their expenditures below the amount they have asked for. Set out on page 25 of the hearings, however, is a list of possible service curtailments which would effect estimated savings of \$149,500,000, the amount of this request. In its list of curtailments, the Department says that the discontinuance of the city and rural delivery of mail and the closing of the post office services on Saturday would save \$70 million. It also says that the elimination of the sale of money orders in first and second-class post offices and their branch stations would save \$26 million. The reduction of mail distribution in railway post offices; reduced frequency of star-route service to once daily, where practicable; the deferring of new highway post office routes and the making of other transportation revisions would save \$18 million. The suspension of all additions and extensions of city carrier service during the entire fiscal year—except extensions already deferred from fiscal year 1957—would save \$16,300,000.

The reduction of renovation work in post offices, the light color, and ventilation program to \$2.5 million, and the reduction of purchases of needed equipment by \$3 million, and the reprogramming of other capital expenditures would save \$7,400,000.

To require second-class publications and third-class bulk mailers to zone their mail would save \$5 million.

I think the gentleman from Connecticut will agree with me that is a substantial savings, if they can save \$5 million simply by requiring users of second-class

mail and users of third-class bulk mail to zone their mail. We asked the representatives of the Post Office Department why they did not do this a long time ago.

Mr. MORANO. Mr. Speaker, will the gentleman yield?

Mr. GARY. I yield.

Mr. MORANO. What was the answer the Post Office Department gave to the question you asked?

Mr. GARY. There was no answer to that, to be frank with the gentleman. I say that is one savings they could make and one change they should make. That is one reason I would not say to the gentleman that there would not be any changes in the service. That is one that should be made. I think the Post Office Department recognizes it and that it will go into effect very shortly.

Then to close 2,000 small post offices would save \$2.5 million; and an embargo on third-class mail from December 1 to December 25 would save \$4 million.

Frankly I do not think that embargo should be put into effect unless it is clearly demonstrated that it would not seriously affect third-class mail.

Mr. BASS of Tennessee. Mr. Speaker, did the gentleman say December 1?

Mr. GARY. Yes; December 1 to December 25.

Mr. BASS of Tennessee. The question I would like to ask if the gentleman will yield, is that in addition to the embargo which the Postmaster General has said he would put in effect on third-class mail effective July 1 this year?

Mr. GARY. That is out and there is no suggestion of that kind at all. This is merely a suggestion to embargo bulk third-class mail from December 1 to December 25; and that will not be necessary under the action this House has taken.

Mr. BASS of Tennessee. In other words the gentleman is now saying that the July 1 embargo will not be put into effect.

Mr. GARY. It will not be put into effect.

I can also say that if this bill is passed there will be no reason for the loss of salary or position by any postal employee in the service because the bill contemplates an increase in personnel of 24,000 during the next year to take care of the increased volume of mail. Twenty thousand of these would be new employees.

We have recommended a reduction of \$16,500,000. Therefore there should not be one single person cut off of the Post Office payroll because of this bill.

Mr. BROWN of Ohio. Mr. Speaker, will the gentleman yield?

Mr. GARY. I yield.

Mr. BROWN of Ohio. Did I understand the gentleman to say that if third-class mail is curtailed by embargo from December 1 to December 25 of each year it would not have any effect on third-class mail?

Mr. GARY. No; I did not say that; the gentleman misunderstood me. I said I did not think it ought to be embargoed unless it could be proven that it would not seriously affect third-class mail.

Mr. BROWN of Ohio. How could it help but affect it if third-class mail were embargoed for a whole month at a time?

Mr. GARY. It would unquestionably affect it but I am not prepared to say how seriously. I do not believe, however, that the Postmaster General is going to put it into effect. Our committee certainly is not telling the Postmaster General how to run his department.

Mr. BROWN of Ohio. Does the gentleman think there is any likelihood of the Post Office Department's doing so.

Mr. GARY. I do not think so. I think they may require zoning of bulk mail. That in itself would result in considerable savings and is entirely in conformity with the low rate the users are paying for handling it.

Mr. LAIRD. Mr. Speaker, will the gentleman yield?

Mr. GARY. I yield to the gentleman from Wisconsin.

Mr. LAIRD. With reference to the curtailment of service under the present appropriation that the gentleman read from pages 25 and 26 of the committee hearings, many people fail to realize the curtailment outlined in that statement is not the recommendation of the Post Office Department but was submitted to the Appropriations Committee and the subcommittee of which the gentleman from Virginia is chairman at the request of the subcommittee in order to show the subcommittee where curtailments could be made in the amount of \$149,500,000. Many people, from letters I have received and from the newspapers, particularly the Hearst Press in Wisconsin, are led to believe that is a recommendation for curtailment by the Postmaster General. Actually it was a request for information which the committee made of the Postmaster General.

Mr. GARY. It is not the recommendation for the Post Office Department, nor is it the recommendation of our committee. It was a list submitted by the Post Office Department merely to show what curtailments they would have to make if our committee did not grant any part of the \$149,500,000 which the Department had requested.

Mr. LAIRD. The list was submitted to the committee at the request of the committee, is that correct?

Mr. GARY. No; I do not think that is strictly correct.

Mr. LAIRD. In reading over the statement on page 25 it appears in the hearing record on June 7 that the hearing was adjourned until June 11 with the directive to the Post Office Department to come prepared to submit such a program.

Mr. GARY. To submit a program under which they would operate if no additional funds were granted. They submitted that program. They had this list prepared previously, however, which they were going to present to the committee to show what curtailments would have to be made if the Congress did not grant their request.

Mr. LAIRD. These curtailments were not recommended by the Postmaster General?

Mr. GARY. They were not recommended by the Postmaster General, that is correct. Certainly I have not tried to

Digest of CONGRESSIONAL PROCEEDINGS

OF INTEREST TO THE DEPARTMENT OF AGRICULTURE

OFFICE OF BUDGET AND FINANCE
(For Department Staff Only)

Issued June 28, 1957
For actions of June 27, 1957
85th-1st, No. 112

CONTENTS

Accounting.....22	Federal aid.....10	Organization.....19,32
Acreage reserve.....38	Foreign affairs.....5	Peanuts.....18
Adjournment.....16	Forestry.....15,17,24,27	Personnel.....25,37
Administrative orders...21	4-H Clubs.....34	Postal service.....26
Agricultural	Housing.....20	Public Law 480.....1
appropriations.....17	Industrial uses.....40	Reclamation.....8
Appropriations.....6,15,17	Information.....30	Recreation.....36
Brucellosis.....35	Insecticides.....33	Research.....9
Budget.....11	Interest rates.....12	Security.....37
Buildings.....3	Interior	Soil conservation.....14
Conservation.....28	appropriation...15,17,27	Surplus commodities...1,23
Corn.....30,31	Lands.....24	Trade, foreign.....1
Cotton.....2	Legislative program..15,27	Transportation.....4
Dairy products.....35	Marketing.....39	Water.....13,29
Education.....41	Minerals.....6	Wildlife.....33
Electrification.....8		

HIGHLIGHTS: (See Page 5.)

SENATE

1. FOREIGN TRADE; SURPLUS COMMODITIES. Disagreed with the House amendments to S. 1314, to extend Public Law 480 until 1958, and appointed as conferees Sens. Ellender, Johnston, Holland, Eastland, Humphrey, Aiken, Young, Thye, and Hickenlooper. Consideration of H.R. 6974, a similar bill, was indefinitely postponed. p. 9382
2. COTTON. Passed without amendment H.J. Res. 172, to release 50,000 bales of extra long staple cotton from the Strategic Materials stockpile. This measure will now be sent to the President. pp. 9398-9
3. BUILDINGS. The Public Works Committee reported without amendment S. 2261, to amend the Federal lease-purchase program relative to the distribution and approval of new public buildings projects (S. Rept. 540). p. 9358
4. TRANSPORTATION. The Interstate and Foreign Commerce Committee reported with amendments S. 1383, to require the certification by the ICC of freight forwarders (S. Rept. 542). p. 9358
Passed without amendment S. 1459, to require truck and bus charter operators to apply for ICC approval. pp. 9435-6

5. FOREIGN AFFAIRS. Passed, with an amendment to exempt agreements under the Atomic Energy Act of 1954, S. 603, to require the transmission to the Senate within 60 days of execution, all international agreements. pp. 9436-7
Sen. Wiley inserted a report on the 1957 Bricker Amendment.
pp. 9368-74
6. MINERALS. Passed without amendment H.R. 4748, to extend to 1958 the time during which annual assessment work may be done on unpatented mining claims. This bill will now be sent to the President. pp. 9432-3
Sen. Neuberger criticized the administration of Public Law 359, 84th Congress, which opened to mining claims 7.2 million acres of Federally controlled lands, and inserted a series of articles on the wisdom of opening public lands to mining interests. pp. 9378-80
7. APPROPRIATIONS. Both Houses agreed to the conference report on H.R. 6070, the independent offices appropriation bill for 1958. This bill will now be sent to the President. pp. 9422-4, 9442-6
Agreed to the conference report on H.R. 6287, the Labor-HEW appropriation bill for 1958. This bill will now be sent to the President. pp. 9382-8
Passed as reported H.R. 7599, the Legislative branch appropriation bill for 1958. pp. 9404-8
8. ELECTRIFICATION; RECLAMATION. Passed as reported S. 60, to authorize construction of the Fryingpan-Arkansas reclamation project, rejecting two amendments by Sen. Kuchel which would require the Secretary of the Interior to comply with compacts now applying to the river, and stating that the law should not constitute any sort of commitment for further water transfers. pp. 9410, 9416-22, 9424-32
9. RESEARCH. Received from this Department a report on the State agricultural experiment stations for fiscal year 1956. p. 9358
10. FEDERAL AID. Sen. Smith, N.J., inserted two editorials on the President's proposal to study Federal-State relations and the division of functions between them. pp. 9363-4
11. BUDGET. Sen. Goldwater inserted his comments on, and Sen. Bush inserted excerpts from, the report on Fiscal policy implications of the economic outlook and budget developments by the Joint Committee on the Economic Report. pp. 9364-6
12. INTEREST RATES. Sen. Humphrey inserted a series of articles on interest rates and the administration's fiscal policy. pp. 9399-9404
13. WATER RESOURCES. Sen. Morton called the Ohio River Valley "The Ruhr of the U.S." and pointed out the present state of development of its water resources. pp. 9410-12
14. SOIL CONSERVATION. Sen. Yarborough stated that a report of the Soil Conservation Service showed the values of soil conservation in preventing flood damage and protecting the land, and inserted an editorial on the importance of proper care for soil. p. 9424
15. LEGISLATIVE PROGRAM. Sen. Mansfield announced that the conference report on the Interior appropriation bill should be received Mon., July 1, and that the Defense Department appropriation bill should also be considered then. p. 9437
16. ADJOURNED until Mon., July 1. pp. 9437-8

dead even though it has received rebuffs from other departments of Government.

Recently, in an article in the New Republic, Senator HUMPHREY called attention to the fact that the U. N. Disarmament Subcommittee had, since its inception several years ago, conducted its discussions on a catch-as-catch-can basis, without a formal agenda, and suggested that an agenda might serve to aid negotiations in the future. Shortly thereafter, when the meetings opened in March 1957, a seven-point agenda was adopted by the subcommittee at the instance of Governor Stassen. Observers agreed that this was a valuable improvement in procedures.

The interest of Adlai Stevenson in a ban on nuclear tests has been traced to the testimony before the subcommittee by Atomic Energy Commissioner Thomas E. Murray. Stevenson's first speech on the subject was made very shortly after Murray's testimony, and followed Murray's reasoning closely.

In spite of the rather blank response which Stevenson's ideas drew from the electorate, his position has made a considerable impression on several Democrats in Congress. HUMPHREY asked about radiation hazards at several hearings, and provided a forum for a good deal of discussion of the problem. Indeed, the Joint Committee on Atomic Energy is now exploring the problem in considerable detail, largely as a result of HUMPHREY's initiative, which included a public letter suggesting the urgency of a thorough investigation.

Senator HUMPHREY also repeatedly asked why it would not be just as effective to set up an inspection system simultaneously with arms cuts, and helped the administration to realize that the insistence upon settling up a full-blown inspection mechanism in working order before the beginning of any type of arms cuts, was becoming a King Charles' head.

HUMPHREY's persistence in asking about political settlements strengthened Stassen's hand in demanding authority to discuss certain political matters in Disarmament Commission meetings. Unfortunately, this was never granted, but the necessity for it is becoming increasingly recognized. The testimony of George Kennan made it clear that any broad-scale disarmament program was in itself a political settlement and, also, that some of the most feasible immediate approaches were very much involved with political matters.

II

In many ways, the outstanding testimony before the subcommittee was given by Secretary of State Dulles. Dulles obviously came to the hearing without briefing himself too closely on the current position of his Department. He had, however, in the years before becoming Secretary of State, given considerable thought to the problem of long-range peace plans and disarmament, and permitted himself to relax and think out loud. The young men from the State Department who accompanied him listened with open mouths, and a large number of transcripts were ordered immediately afterward by the Department for internal circulation, because he composed policy as he went along. The hearing was a very cordial one, and it was interesting to note that the Senators of the opposition party respected his honesty and did not attempt to take advantage of his candor.

In effect, Secretary Dulles made clear that any arms agreement would sooner or later have to include Communist China. Mr. Dulles also made it clear that political settlements must go hand in hand with arms reductions. With reference to Germany, for example, he said that a settlement "would not be practical without at least a partial

settlement of the armament problem, notably in relation to Europe."

Mr. Dulles also, in response to questions from Senator HICKENLOOPER, indicated that the sound approach to disarmament should eventually involve the building up of a United Nations force which would be superior to any possible aggressor force. An ideal arrangement, he said, would be to have in some such body as the United Nations, a dependable force which would be greater than the force of any single member state; in other words, to extend to the society of nations the principle which is, broadly speaking, applied to maintain peace and order within a national society. However, he pointed out that involved certain supranational aspects and also the question of renouncing the veto power and, therefore, regarded it as not a goal which can be practically attainable within any foreseeable period. For the immediate future, therefore, he pointed out that it is necessary to have collective forces which, when brought together, would be superior to the forces of an aggressor. The candor and imagination which the Secretary displayed at that hearing has not, in the intervening 16 months, however, produced appreciable change in the Department's positions.

In selecting highlights from the testimony of other witnesses for this necessarily brief report, emphasis will be placed upon those who made the strongest impression upon the committee members, as revealed by their public or private remarks on subsequent occasions.

Some of the impact of Commissioner Thomas E. Murray's testimony has already been alluded to. A tally of newspaper reports of committee hearings indicated that Murray's testimony received wider press attention than that of any other witness. In subsequent hearings, a large number of witnesses associated themselves with his suggestions that policies be adapted to set our nuclear weapons program "on a basis more in conformity with the realities of present-day international life."

Murray's argument can be summarized as follows: Wars in the future will be nuclear wars. This does not mean that they need be all-out nuclear wars. All-out nuclear war is no more acceptable than murder or suicide. It would be fatal to permit ourselves to drift into the habit of thinking about nuclear war only in all-out terms. A limited nuclear war is a possibility that our consciences can face and accept. In the different kinds of limited war that might confront us, certain types of nuclear weapons have a genuine military usefulness. It would therefore be wrong on our part to deprive ourselves of these weapons. Our stockpile should include only weapons that are useful in war. Moreover, it should include only weapons that we can legitimately use. It is time we stopped to take a hard look at this concept of "deterrence" and at the complementary concept, more recently added, the "balance of terror," which is too easily upset. It is at the mercy of miscalculation. Such a balance may even put a premium on moral cynicism. Rational armament therefore should include the making and stockpiling only of such weapons as are demonstrably useful for the purpose of actual warfare.

Murray suggested that an upper limit be set on the size of thermonuclear bombs to be placed in our stockpile, on the basis of moral principles and military usefulness. Tests of multimegaton thermonuclear weapons should be stopped, since the weapons we now have in hand are large enough. But tens of thousands of very small weapons are needed. Flexible strength requires the fuller development of the capability for limited military use of nuclear weapons for limited

military objectives, according to the Commissioner.

The deeply religious tone of Commissioner Murray's testimony, and his emphasis on moral points won for it considerable attention among citizens' groups concerned with world peace.

Another witness whose testimony had considerable influence on the committee was Warren Weaver, vice president of the Rockefeller Foundation and chairman of the Committee on the Genetic Effects of Atomic Radiation of the National Academy of Sciences. Weaver's testimony challenged the complacency with which the report of the academy has been interpreted by the administration. While he carefully eschewed sensationalism or alarmism, and did not quarrel with the precise language of the report, he made it abundantly clear that the net effect of continued explosions would necessarily be disadvantageous to the genetic structure of the human race. Probably the serious interest of subcommittee members in proposals to end tests was greatly heightened by the Weaver testimony.

John C. Elliot, a former Director of the Office of Munitions Control of the Department of State, discussed techniques of munitions control developed under the Neutrality Act as possible guideposts in general armaments control. Although he conceded that the development of guided missiles and thermonuclear weapons has made the problem of control and reduction of armaments more difficult, he said that the Government need not content itself with atomic stalemate. On the basis of his experience, he suggested that it would be fruitful to continue the search on political, military, and scientific fronts for some formula for eliminating or controlling weapons. He felt that our proposals for disarmament, while sound and sincere, were insufficiently broad to excite the imaginations of peoples and thereby to pressure the Soviets into a workable disarmament agreement with adequate inspection. He urged a U. N. study on the effect of arms traffic to disturbed areas of the world. His testimony elicited sympathetic comment from Senator Humphrey and helped bring the inspection problem into focus.

The testimony of Dr. Albert G. Hill, vice president of the Institute for Defense Analysis and director of Research Weapons Systems Evaluation Group, was important because of his close association with the development of an early warning system for the United States Government. Dr. Hill pointed out that aerial inspection alone would be insufficient as a warning against surprise attack. He felt that any effective inspection must consist of both aerial and ground components. However, he commented that any inspection arrangement with the Soviet Union would probably be to our advantage today. Further, he stated that the mere agreement upon such a system would improve possibilities for the beginning of phased disarmament.

The committee members gave considerable thought to the testimony by one of their colleagues, Senator RALPH FLANDERS of Vermont. Senator FLANDERS has long been a passionate advocate of disarmament. In 1953, he was coauthor of a disarmament resolution which was unanimously passed by the Senate. He appeared before the subcommittee accompanied by a Reserve Air Force officer with considerable credentials in both arms and arms control, Colonel Richard S. Leghorn, now of the Eastman Kodak Co. Flanders and Leghorn pointed out that we have already passed the point of no return on many types of arms inspection and control. They warned that we were approaching one of the most serious of these points with the forthcoming development of the intercontinental ballistic missile. They urged

that the United States immediately propose an agreement with the Soviet Union which would effectively prevent the perfection of these missiles. This could be done, they said, by agreeing not to test the missiles. They stated that the missiles developed in the laboratory and on the drawing board would not be useful in warfare without the developmental improvements which would result from actual test firings. While there would be no way to detect laboratory work, it would be possible to detect test firings through properly emplaced radar posts.

The Flanders-Leghorn proposal was discussed by the subcommittee in the course of appearances of many other witnesses. Many of them, including Dr. Albert Hill, agreed that radar could be effective in detecting these tests. However, one important political question, raised by Senator SYMINGTON, remained unanswered: The question of how the nations of western Europe, already threatened by lesser range missiles, would take to the urgent insistence of the United States that work be stopped on the one weapon which might effectively reach the United States.

Benjamin V. Cohen, who served for many years as United States representative on the United Nations Disarmament Commission, pointed out that: "Drastic and general disarmament presents less difficulty in respect to policing and inspection than limited and partial disarmament * * * drastic and general disarmament coupled with the transfer of a reserve of armaments to U. N. authorities would further impair the decisive importance of any secreted armaments which might escape detection. * * * Law enforcement in the international field, like law enforcement in the domestic field, depends not on a vast accumulation of arms in the possession of the peace officers, but on a rigid limitation of arms in the possession of organized groups not responsible or responsive to the peace officer."

Cohen supported the State Department position that one of the chief sanctions in any disarmament treaty should be the right to withdraw from a disarmament agreement. Such a right, Cohen thought, might encourage progress which would otherwise be impossible.

While advocating a complete and comprehensive plan, Cohen also supported immediate proposals for partial disarmament. He said there are two areas in which proposals could be made which would contribute significantly toward progress in disarmament. The first area covers measures which would tend to arrest or slow down the armaments race without materially affecting the present balance of power, and the breach of which measures would be self-detectable. The second area is the combining of political settlement and disarmament for reasons about which international conflict and tension center.

Specifically, Cohen urged certain immediate steps: (1) The reporting of all or defined nuclear tests and of all or defined ballistic missile tests to the extent necessary to insure minimum safety and health; (2) the banning of nuclear tests with defined widespread radioactive effects and of tests of long-range ballistic missiles; (3) the control of future production of fissionable materials; (4) aerial inspection and exchange of blueprints of military installations; (5) ground inspection control posts at designated points; (6) the establishment of a world network of radar and other monitoring devices.

Many other witnesses made notable impressions. At Cambridge, Mass., a group of university scholars presented fascinating discussions of major problems. This tour de force, which was arranged by Associate Dean David Cavers, of the Harvard Law School, was, in some respects, the outstanding congressional hearing of the year, and

the chairman alluded to it frequently in later months. An idea presented in the hearing by Duncan MacDonald, dean of the graduate school of Boston University, received particularly close attention: that the effectiveness of inspection measures be tested by aerial inspection conducted between friendly powers.

David Inglis, of the Argonne National Laboratory, made a particularly strong impression on some members of the committee when he stressed the need for a vastly increased budget for a Government agency working on peace problems. Considerable emphasis was also placed by several witnesses upon the need for preparation for the economic reconversion which would be necessitated by serious efforts in the direction of arms cuts.

III

As this is written, the Humphrey subcommittee has not finished its work. Two major questions remain unanswered:

What will it say in its final report? One speculates that it will not be controversial in character because of a generally understood determination on the part of the chairman that the report be unanimously adopted. This means, in effect, that the report will be the least common denominator of the opinions of the committee members. This is not necessarily to be regretted—it would be difficult for the committee to take original and creative positions on matters which involve so many complex and technical factors. But one also suspects that if the committee members fail to agree on some basic assumptions, such as the urgency of disarmament and the inadequacy of mutual deterrents as a permanent safeguard to security, there will be majority and minority reports.

Will there be a permanent unit working in this field? Scholars and commentators who take the disarmament problem seriously feel that the subcommittee has accomplished a great deal, and hope to see its life extended. If this is impossible, they would like to see a special committee established to continue its work.

The major contribution of the subcommittee is that it has taken disarmament down from the pie-in-the-sky category and made it a matter of current legislative business. It has made newspapers, magazines, radio, and TV commentators, legislators and bureaucrats, take seriously the problem of control and reduction of armaments. It has forced some consideration of long-range policy upon a capital which is enormously preoccupied with this morning's crisis and tonight's deadline. Such interest and concern in arms control is vital if intelligent and successful policies are to be evolved.

It would be tragic if this effort is not permitted to continue, either through an extension of the life of the subcommittee or through the creation of a new special committee which could take up where the Humphrey subcommittee leaves off.

EXTENSION OF AGRICULTURAL TRADE DEVELOPMENT AND ASSISTANCE ACT OF 1954

The PRESIDING OFFICER laid before the Senate the amendment of the House of Representatives to the bill (S. 1314) to extend the Agricultural Trade Development and Assistance Act of 1954, and for other purposes, which was to strike out all after the enacting clause and insert:

That the Agricultural Trade Development and Assistance Act of 1954, as amended, is amended as follows:

(1) Sections 109 and 204 of such act are amended by striking out "1957" and substituting in lieu thereof "1958."

(2) Section 103 (b) of such act is amended by striking out "\$3,000,000,000" and inserting in lieu thereof "\$4,000,000,000."

(3) In the first proviso contained in section 104, after the words "subsection (f)" and before the word "and" insert: "and for financing international educational exchange activities under subsection (h) and for financing the translation, publication, and distribution of books and periodicals under subsection (i)."

(4) Section 203 of such act is amended by striking out "\$500,000,000" and inserting in lieu thereof "\$800,000,000."

(5) Section 104 (e) of such act is amended by striking out the semicolon at the end thereof and adding a comma and the following: "for which purposes not more than 25 percent of the currencies received pursuant to each such agreement shall be available through and under the procedures established by the Export-Import Bank for loans mutually agreeable to said bank and the country with which the agreement is made to United States business firms and branches, subsidiaries, or affiliates of such firms for business development and trade expansion in such countries and for the establishment of facilities for aiding in the utilization, distribution, or otherwise increasing the consumption of, and markets for, United States agricultural products: *Provided, however,* That no such loans shall be made for the manufacture of any products to be exported to the United States in competition with products produced in the United States. Foreign currencies may be accepted in repayment of such loans."

(6) Within 60 days after any agreement is entered into for the use of any foreign currencies, a full report thereon shall be made to the Senate and the House of Representatives of the United States and to the Committees on Agriculture and Appropriations thereof.

(7) Section 210 of the Agricultural Act of 1956, Public Law 540, 84th Congress (70 Stat. 202), is amended (1) by inserting after the word "State" the words "and local penal and," and (2) by striking out "for minors."

Mr. ELLENDER. Mr. President, I move that the Senate disagree to the amendment of the House, request a conference with the House on the disagreeing votes of the two Houses thereon, and that the Chair appoint conferees on the part of the Senate.

The motion was agreed to; and the Presiding Officer appointed Mr. ELLENDER, Mr. JOHNSTON of South Carolina, Mr. HOLLAND, Mr. EASTLAND, Mr. HUMPHREY, Mr. AIKEN, Mr. YOUNG, Mr. THYE, and Mr. HICKENLOOPER conferees on the part of the Senate.

Mr. ELLENDER. Mr. President, I now move that H. R. 6974 be indefinitely postponed.

The PRESIDING OFFICER. Without objection, H. R. 6974 is indefinitely postponed.

DEPARTMENTS OF LABOR AND HEALTH, EDUCATION, AND WELFARE APPROPRIATIONS — CONFERENCE REPORT

Mr. HILL. Mr. President, I submit a report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 6287) making appropriations for the Departments of Labor and Health, Education, and Welfare, for the fiscal year ending June 30, 1958, and for other purposes. I ask unanimous

Digest of CONGRESSIONAL PROCEEDINGS

OF INTEREST TO THE DEPARTMENT OF AGRICULTURE

Issued July 1, 1957

For actions of June 28, 1957

85th-1st, No. 113

OFFICE OF BUDGET AND FINANCE
(For Department Staff Only)

CONTENTS

Adjournment.....9	Lands.....16	Research.....20
Appropriations.....1,8,10	Legislative program.....8	Small business.....13
Budget.....19	Minerals.....5,11	Soil bank.....16
Dairy industry.....17	Personnel.....15	Soil conservation.....18
Electrification.....12	Poultry inspection.....3	Surplus disposal.....6
Food.....1	Price supports.....14	Taxation.....12
Forestry.....1,19	Property.....20	Trade, foreign.....6
Housing.....7	Public Law 480.....6	Wheat.....2,14
Humane slaughter.....2	Reclamation.....4	Wildlife.....16
Interior appropriations..1	Recreation.....19	

HIGHLIGHTS: House agreed to conference report on Interior appropriation bill. House Rules Committee reported resolution for consideration of compulsory poultry inspection bill. House committee ordered reported bills to exempt from quotas certain wheat used on farm where produced, and to provide for humane slaughter of livestock. House agreed to Senate amendments to legislative appropriation bill. House agreed to conference report on housing bill.

HOUSE

1. APPROPRIATIONS. Agreed to the conference report on H.R. 5189, the Interior appropriation bill for 1958, which includes Forest Service items (pp. 9500-03). Concurred in a Senate amendment providing that the Trust Territory of the Pacific Islands is authorized to receive, during the 1958 fiscal year, surplus foods from this Department, available pursuant to Sec. 32 of the act of Aug. 24, 1935, for distribution on the same basis as domestic distribution of surplus foods (p. 9500-01). For information regarding Forest Service items see Digest 112.
Agreed to the Senate amendments to H.R. 7599, the legislative appropriation bill for 1958 (pp. 9498-9500). This bill will now be sent to the President.
2. HUMANE SLAUGHTER; WHEAT. The Agriculture Committee ordered reported H.R. 8308, to establish the use of humane methods of slaughter of livestock as a policy of the U.S., and to amend the Agricultural Adjustment Act of 1938 so as to exempt certain producers from liability under the act where all the wheat crop is fed or used for seed or food on the farm. p. D593
3. POULTRY INSPECTION. The Rules Committee reported a resolution for consideration of H.R. 6814, to provide for the compulsory inspection of poultry and poultry products by this Department. pp. 9505-9528

4. RECLAMATION. The Interior and Insular Affairs Committee reported with amendment H.R. 2147, to provide for the construction by Interior of the San Angelo Federal reclamation project, Tex. (H. Rept. 664), and H.R. 6940, to authorize Interior to reimburse owners of lands acquired under the Federal reclamation laws for their moving expenses (H. Rept. 662). p. 9528

A subcommittee of the Interior and Insular Affairs Committee ordered reported with amendment H.R. 4410, to suspend and modify the application of the excess land provisions of the Federal reclamation laws to lands in the East Bench unit of the Mo. River Basin project. p. D593

5. MINERALS. A subcommittee of the Interior and Insular Affairs Committee ordered reported S. 334, to promote the development of phosphate on the public domain. Two similar bills, H.R. 2131 and H.R. 4687, were tabled. p. D593
6. SURPLUS DISPOSAL: FOREIGN TRADE. Conferees were appointed on S. 1314, to extend the Agricultural Trade Development and Assistance Act of 1954 (Public Law 480). pp. 9497-98

7. HOUSING. Agreed to the conference report on H.R. 6659, the housing bill for 1957, which authorizes grants by the Housing and Home Finance Administrator to the land-grant colleges for farm housing research of not to exceed \$300,000 for each of the years 1958 and 1959. pp. 9503-05

8. LEGISLATIVE PROGRAM. Rep. McCormack announced that the Consent Calendar will be called today, Mon., and consideration also will be given to a continuing resolution for temporary appropriations pending the enactment of the remaining regular appropriation bills; the Private Calendar will be called on Tues.; and that there will be no legislative business on Thurs., Fri., or Sat.. p. 9498

9. ADJOURNED until Mon., July 1. p. 9528

SENATE

10. APPROPRIATIONS. The Appropriations Committee ordered reported with amendments H.R. 7665, the Defense Department appropriation bill for 1958, with an increase of \$971,504,000.00 over the House figure. p. D591
11. MINERALS. The Minerals, Materials, and Fuels Subcommittee ordered reported to the Interior and Insular Affairs Committee S. 2039, to clarify the definition of labor imposed as a condition for holding mining claims on Federal lands pending the issuance of patents. p. D591

ITEMS IN APPENDIX

12. ELECTRIFICATION. Rep. Miller, Neb., inserted a speech by Interior Secretary Seaton, "Electric Power for an Expanding Economy." pp. A5185-6
Rep. Engle inserted two editorials criticizing the tax amortization certificates granted the Pacific Gas and Electric Co.. p. A5213
13. SMALL BUSINESS. Speech of Reps. Rhodes and Multer on the opposed criteria of security and non-availability for loans made by the Small Business Administration, urging less stringent loan standards. p. A5195



Congressional Record

United States
of America

PROCEEDINGS AND DEBATES OF THE 85th CONGRESS, FIRST SESSION

Vol. 103

WASHINGTON, FRIDAY, JUNE 28, 1957

No. 113

Senate

The Senate was not in session today. Its next meeting will be held on Monday, July 1, 1957, at 11 o'clock a. m.

House of Representatives

FRIDAY, JUNE 28, 1957

THE JOURNAL

The Journal of the proceedings of yesterday was read and approved.

MESSAGE FROM THE SENATE

A message from the Senate by Mr. McBridge, one of its clerks, announced that the Senate had passed without amendment bills of the House of the following titles:

H. R. 3373. An act to amend the act of December 2, 1942, and the act of August 16, 1941, relating to injury, disability, and death resulting from war-risk hazards and from employment, suffered by employees of contractors of the United States, and for other purposes;

H. R. 4748. An act to amend the act of August 11, 1955, to extend the time during which annual assessment work on unpatented mining claims subject to that act may be made;

H. R. 6523. An act to amend the Federal Employees' Compensation Act to provide compensation for employees of the United States suffering injuries from war-risk hazards or during detention by a hostile force or person;

H. R. 7954. An act relating to the exemption of furlough travel by service personnel from the tax on the transportation of persons;

H. R. 8383. An act to authorize the Honorable JOHN W. McCORMACK and the Honorable JOHN J. ROONEY, Members of the House of Representatives, to accept and wear the award of the Ecclesiastical Order of St. Gregory the Great, with the rank of Knight Commander with Star; and

H. R. 8384. An act to authorize the Honorable JOHN W. McCORMACK and the Honorable JOSEPH W. MARTIN, JR., Members of the House of Representatives, to accept and wear the award of the Philippine Legion of Honor in the degree of Commander, tendered by the Republic of the Philippines.

The message also announced that the Senate had passed bills and a joint resolution of the following titles, in which

the concurrence of the House is requested:

S. 60. An act to authorize the construction, operation, and maintenance by the Secretary of the Interior of the Frylingpan-Arkansas project, Colorado.

S. 603. An act to require that international agreements other than treaties, hereafter entered into by the United States, be transmitted to the Senate within 60 days after the execution thereof;

S. 1459. An act to amend section 208 (c) of the Interstate Commerce Act, as amended;

S. 1856. An act to provide for the development and modernization of the national system of navigation and traffic control facilities to serve present and future needs of civil and military aviation, and for other purposes; and

S. J. Res. 73. Joint resolution to amend Public Law 843, 80th Congress, as amended, providing for membership and participation by the United States in the International Labor Organization and authorizing appropriations therefor.

The message also announced that the Senate insists upon its amendment to the concurrent resolution (H. Con. Res. 204) entitled "Concurrent resolution expressing the sense of the Congress on the problem of Hungary," and agrees to the conference asked by the House on the disagreeing votes of the two Houses thereon, and appoints Mr. GREEN, Mr. FULBRIGHT, and Mr. KNOWLAND to be the conferees on the part of the Senate.

AGRICULTURAL TRADE DEVELOPMENT AND ASSISTANCE ACT OF 1954

Mr. ALBERT. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill S. 1314, to extend the Agricultural Trade Development and Assistance Act of 1954, and for other purposes, with the House amendment thereon, insist upon the House amendment,

The House met at 12 o'clock noon.
Rev. Luther Mauney, D. D., pastor, Resurrection Lutheran Church, Arlington, Va., offered the following prayer:

Almighty God, who hast set our lives within two worlds, so that we are at once the creatures of time and of eternity, grant us the double vision to see the nature of our life in both realms. As the sons of God, make us to know Thy glory and Thy will, and to magnify Thee. As the children of men, may we come to love Thy word, that we may be led to do justly, to love mercy, and to walk humbly with our God.

Blessed Lord, help us to see our way in life—our duties, our responsibilities, our paths of service—in the light of Him who lived in Galilee. As He was a seeker for the truth, may we be too. As He steadfastly stood for the right, without equivocation or compromise, help us also thus to act. Wherein He sought human and spiritual values beyond all else, lead us to organize our purposes to attain these ends.

Strengthen us, O God, by Thy gifts that we may meet the challenge which comes from this our day and generation. Be it breadth of vision that is needed, or strength of purpose; if the times call for courage, or for cleverness, or compassion—whatever the need, may Thy holy spirit make us equal to the requirement that we may be lifted above the infirmities of the flesh and made worthy administrators in Thy governance of mankind.

Make our Nation great in her acceptance of Thy way of truth, and in her service for all men. Bestow Thy grace upon all who are in positions of leadership, that they may serve not as to men but as unto Thee. And establish peace and happiness, truth and justice, true religion and piety among us throughout all generations, through Jesus Christ, our Lord. Amen.

and agree to the conference asked by the Senate.

The SPEAKER. Is there objection to the request of the gentleman from Oklahoma? [After a pause.] The Chair hears none and appoints the following conferees: Messrs. COOLEY, POAGE, GATHINGS, AUGUST H. ANDRESEN, and HILL.

COMMITTEE ON ARMED SERVICES

Mr. HÉBERT. Mr. Speaker, I ask unanimous consent that the Subcommittee on Investigations of the Armed Services Committee may be allowed to sit during general debate today.

The SPEAKER. Is there objection to the request of the gentleman from Louisiana?

There was no objection.

PUBLIC ASSISTANCE PROVISIONS OF THE SOCIAL SECURITY ACT

Mr. COOPER. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (H. R. 7238) to amend the public assistance provisions of the Social Security Act so as to provide for a more effective distribution of Federal funds for medical and other remedial care, with Senate amendment thereto, disagree to the Senate amendments, and agree to the conference asked by the Senate.

The SPEAKER. Is there objection to the request of the gentleman from Tennessee? The Chair hears none and appoints the following conferees: Messrs. COOPER, MILLS, GREGORY, REED, and JENKINS.

CORRECTION OF THE RECORD

Mr. CHRISTOPHER. Mr. Speaker, there is an error in dates in my remarks of last Monday, June 24. I ask unanimous consent that I may correct them in the permanent Record.

The SPEAKER. Is there objection to the request of the gentleman from Missouri?

There was no objection.

CALENDAR WEDNESDAY

Mr. McCORMACK. Mr. Speaker, I ask unanimous consent that the business in order on Calendar Wednesday of next week be dispensed with.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

ADJOURNMENT OVER

Mr. McCORMACK. Mr. Speaker, I ask unanimous consent that when the House adjourns today it adjourn to meet on Monday next.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

VETERANS' HOSPITALS

(Mrs. ROGERS of Massachusetts asked and was given permission to address the House for 1 minute and to revise and extend her remarks.)

Mrs. ROGERS of Massachusetts. Mr. Speaker, an article was sent to me from Massachusetts by Fulton Lewis in which he said that the Members of New England and Arkansas have lost interest in the Hot Springs hospital. I assure you that insofar as Massachusetts is concerned, that is not so. We also need the Waltham hospital. The Army needs hospitals desperately. There is a great shortage of beds everywhere in the State, and we are fighting just as hard to have the Senate put something in the bill for Waltham as ever before, and I am sure that is the case with Arkansas.

PROGRAM FOR NEXT WEEK

(Mr. MARTIN asked and was given permission to address the House for 1 minute.)

Mr. MARTIN. Mr. Speaker, I take this time to inquire of the majority leader as to the program for next week.

Mr. McCORMACK. Monday is Consent Calendar Day. There will be five suspensions:

H. R. 6182, conveyance of certain real property to former owners thereof;

H. R. 8055, conveyance of United States interest in and to fissionable materials, in Cook County, Ill.;

S. 1141, records donated to the Philip-pines;

S. 806, quitclaim land, Vincennes University, Indiana; and

H. R. 8195, to facilitate the payment of Government checks.

There will be a continuing resolution in relation to temporary appropriations, and then H. R. 7383, to amend the Atomic Energy Act regarding indemnity and liability.

On Tuesday the Private Calendar will be called. The rest of Tuesday and Wednesday is undetermined.

Conference reports can be brought up at any time.

In accordance with the announcement I made yesterday, there will be no legislative business on Thursday, Friday, or Saturday. On Wednesday we will adjourn to Friday and then from Friday to Monday of next week. The reason for going over from Wednesday to Friday is to enable the employees of the House restaurant to have their Fourth of July off the same as others.

Mr. MARTIN. I thank the gentleman.

THE LAW OF THE LAND

(Mr. RIVERS asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. RIVERS. Mr. Speaker, there are a lot of people who say that whatever the Supreme Court says is the law of the land and point with great pride to the school integration cases. One of

those people who say that a Supreme Court decision is the law of the land is Herbert Brownell. But when the Jencks case came out and the Court directed him to turn over the FBI files to the Communists, Brownell came running up to the Judiciary Committee to change the law. Up to this time he has not turned over the files to the Communists. I say that Brownell may be in contempt of the Supreme Court for not obeying the law of the land enunciated by this Supreme Court. He is eating out of one spoon and expects us to eat out of another. He is in contempt of the same Court which holds us in the South contemptuous. Brownell honors the political decisions of this Court or those which at the moment are either on the side of popular feeling.

Mr. Speaker, I insert an editorial from the Charleston News and Courier of June 27, 1957, on this subject titled "The Law of the Land."

LAW OF THE LAND

Supreme Court decisions, we constantly hear from integrationists, are the law of the land. Attorney General Brownell is not satisfied, however, with the law of the land in the Jencks case. The effect of the Supreme Court's decision in favor of an alleged Communist is to open up FBI files to defendants on fishing expeditions. The Department of Justice has appealed to Congress to pass laws to protect these Government secrets.

The News and Courier approves of this effort. It cannot resist noting the turnabout by the Attorney General when a decision doesn't suit him. Southerners are appealing the school segregation decision to the court of public opinion, the court of last resort in any country.

AUTHORITY TO RECEIVE MESSAGES AND SIGN ENROLLED BILLS

Mr. McCORMACK. Mr. Speaker, I ask unanimous consent that notwithstanding the adjournment of the House until Monday next, the Clerk be authorized to receive messages from the Senate and that the Speaker be authorized to sign any enrolled bills and joint resolutions duly passed by the two Houses and found truly enrolled.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

LEGISLATIVE APPROPRIATION BILL, FISCAL YEAR 1958

Mr. NORRELL. Mr. Speaker, I ask unanimous consent to take from the Speaker's desk the bill (H. R. 7599) making appropriations for the legislative branch for the fiscal year ending June 30, 1958, and for other purposes, with Senate amendments thereto, and concur in the Senate amendments.

The Clerk read the title of the bill.

The Clerk read the Senate amendments, as follows:

Page 1, after line 6, insert:

"SENATE

"Salaries of Senators, mileage of the President of the Senate and of Senators, expense

Digest of CONGRESSIONAL PROCEEDINGS

OF INTEREST TO THE DEPARTMENT OF AGRICULTURE

OFFICE OF BUDGET AND FINANCE
(For Department Staff Only)

Issued July 3, 1957
For actions of July 2, 1957
85th-1st, No. 115

CONTENTS

Accounting.....9	Food supplies.....6	Personnel.....16,39,43
Adjournment.....11,22	Foreign aid....10,35,30,40	Plant pests.....27
Appropriations.....14,42	Forestry.....19,27	Postal rates.....20
Atomic energy.....18	Income data.....29	Poultry.....26
Census.....29	Industrial uses.....31	Price supports.....8,26
CCC Grain.....6	Information.....39	Procurement.....30
Civil defense.....4	Insecticides.....37	Public Law 480.....1,3
Committees.....32	Lands.....38	Reclamation.....15,24,41
Commodities.....35	Legislative program....22	Records.....7
Cooperatives.....36	Marketing.....34	Soil bank.....17,18
Corn.....23	Military construction....3	Statehood.....25
Electrification.5,18,24,41	Motor carriers.....22	Surplus disposal.....1
Farm program.....8,28	Nominations.....13	Trade, foreign.....1
Fiscal policy.....21	Organization.....2	Wheat.....17
Flood control.....32	Peanuts.....12	Wildlife.....37

HIGHLIGHTS: Senate agreed to bill to delete certain peanut picker statistical reports. Senate received nomination of Paarlberg to be Assistant Secretary. Conferees agreed to file report on bill to extend Public Law 480. House Rules Committee cleared bill to extend Reorganization Act.

HOUSE

1. SURPLUS DISPOSAL; FOREIGN TRADE. The conferees agreed to file a conference report on S. 1314, to extend the Agricultural Trade Development and Assistance Act of 1954 (Public Law 480). p. D611
2. ORGANIZATION. The Rules Committee reported a resolution for consideration of H.R. 8364, to amend the Reorganization Act of 1949 so as to make the Act applicable to reorganization plans transmitted to Congress at any time before June 1, 1959. p. 9693
3. MILITARY CONSTRUCTION. The Rules Committee reported a resolution for consideration of H.R. 8240, to authorize certain construction at military installations, including a provision for the use of foreign currencies acquired under Public Law 480 for the construction of military family housing units in foreign countries. p. 9693
4. CIVIL DEFENSE. The Armed Services Committee ordered reported H.R. 7576, to amend the Federal Civil Defense Act of 1950 so as to provide for contributions to the States for certain civil defense purposes. p. D610

5. ELECTRIFICATION. A subcommittee of the Interior and Insular Affairs Committee recommended to the full Committee that H.R. 5, to authorize the construction of the Hells Canyon Dam, not be reported. p. D610
6. CCC GRAIN. The Merchant Marine and Fisheries Committee considered and tabled H.R. 6959, to authorize the Secretary of the Interior to cooperate with Federal and non-Federal agencies in the augmentation of natural food supplies for migratory waterfowl by requisitioning grain from CCC for supplying such agencies to feed such waterfowl. p. D611
7. PUBLIC RECORDS. The Judiciary Committee ordered reported with amendment H.R. 7915, to require the consent of the Attorney General to produce certain public records in any civil or criminal proceeding. p. D610
8. FARM PROGRAM. Rep. McGovern criticized certain statements made by Rep. Berry concerning responsibility for the level of price supports for agricultural commodities. p. 9679
9. ACCOUNTING. Passed with amendment S. 1799, to facilitate the payment of Government checks, after substituting the language of a similar bill, H.R. 8195, which passed the House on July 1. p. 9680
10. FOREIGN AID. Received from the Director of ICA an interim report on major changes in the mutual security program as required by Public Law 665, 85th Congress. p. 9693
11. ADJOURNED until Fri., July 5. No business is to be transacted on Fri. and the House will adjourn over to Mon., July 8. pp. 9680, 9693

SENATE

12. PEANUTS. Agreed to the House amendment to S. 609, to delete certain reports from persons owning or operating peanut picking or threshing machines. (p. 9764)
This bill will now be sent to the President.
13. NOMINATIONS. Received the nomination of Don Paarlberg to be Assistant Secretary of Agriculture for Marketing and Foreign Agriculture. p. 9771
14. APPROPRIATIONS. Passed with amendments H.R. 7665, the Defense Department appropriation bill for 1958. Conferees were appointed. pp. 9709, 9733-64
15. RECLAMATION. The Interior and Insular Affairs Committee reported with amendments S. 977, to suspend and modify the application of the excess land provisions of the Federal reclamation laws to lands in the East Bench unit, Missouri River Basin project (S. Rept. 574). p. 9698
16. PERSONNEL. Sen. Morton urged enactment of S. 2317, to establish a commission to study the compensation of Federal employees, pointing to the value of the Cordiner Committee's report. p. 9701
17. WHEAT; SOIL BANK. Sen. Neuberger expressed his misgivings about the soil bank program, urged a two price plan for wheat instead, and inserted an article "Soil Bank Proves Costly in Wheat." pp. 9770-1

The following bills, amended:

H. R. 1678, to provide for the quitclaiming of the title of the United States to the real property known as the Barcelona Lighthouse Site, Portland, N. Y.;

H. R. 3018, to authorize expenditures for recreation and welfare of Coast Guard personnel and the schooling of their dependent children;

H. R. 3748, to provide for the conveyance of certain lands of the United States to the city of Gloucester, Mass.;

S. 1446, to provide for retirement of certain former members of the Coast Guard Reserve;

H. R. 7225, to amend provisions of the Canal Zone Code relative to the handling of the excess funds of the Panama Canal Company; and

H. R. 6709, to implement a treaty and agreement with the Republic of Panama.

The committee also considered and tabled the following bills:

H. R. 6959, to authorize the Secretary of the Interior to cooperate with Federal and non-Federal agencies in the augmentation of natural food supplies for migratory waterfowl; and

H. R. 8057, to amend the Migratory Bird Hunting Stamp Act of March 16, 1934, as amended.

FLOOD CONTROL

Committee on Public Works: Completed executive consideration of S. 497, omnibus rivers and harbor and flood control bill, and will meet next week to report the bill to the House.

MILITARY CONSTRUCTION BILL

Committee on Rules: Granted an open rule with 2 hours of debate on H. R. 8240, authorizing military construction; and waiving points of order against the bill, except section 411. Heard in support of the rule were Representatives Vinson, Cole, and Kilday.

CERTIFICATION OF AIR CARRIERS

Committee on Rules: Granted an open rule with 2 hours of debate on H. R. 4520, relating to permanent certification of air carriers operating between the United States and Alaska. Heard in support of the rule were Representatives Harris, O'Hara of Minnesota, and Flynt.

BILLS SIGNED BY THE PRESIDENT

New Laws

(For last listing of public laws, see DIGEST, p. D594)

S. 601, relating to the charging of interest on deposits to the credit of the civil service retirement and disability fund. Signed June 29, 1957 (P. L. 85-65).

S. J. Res. 115, providing an interim extension of the voluntary home mortgage credit program. Signed June 29, 1957 (P. L. 85-66).

REORGANIZATION ACT

Committee on Rules: Granted an open rule with 1 hour of debate on H. R. 8364, extending the Reorganization Act of 1949. Heard in support of the rule was Representative Fascell.

STATUS OF FORCES

Committee on Rules: Held but did not complete hearing on H. J. Res. 16, relating to Status of Forces Agreements. Heard in support of a rule were Representatives Gordon and Burleson. Hearings relative to the granting of a rule on this bill will be resumed at the next meeting of the committee, at a date to be announced.

Joint Committee Meetings

INTERNATIONAL ATOMIC ENERGY PARTICIPATION

Joint Committee on Atomic Energy: Subcommittee on Agreements for Cooperation held an executive session to consider the proposed International Atomic Energy Participation Act of 1957, as embodied in S. 2341 and H. R. 8251. Testimony was received from Lewis Strauss, Chairman of the AEC; Francis O. Wilcox, Assistant Secretary of State for International Organization Affairs; James J. Wadsworth, U. S. Mission to the U. N.; and Gerard Smith, Special Assistant for Atomic Energy Matters, State Department.

Subcommittee will meet again July 9.

AGRICULTURAL TRADE DEVELOPMENT

Conferees, in executive session, agreed to file a conference report on the differences between the Senate- and House-passed versions of S. 1314, to extend for 1 year the Agricultural Trade Development and Assistance Act of 1954.

SOCIAL SECURITY

Conferees, in executive session, agreed to file a conference report on the differences between the Senate- and House-passed versions of H. R. 7238, to amend the public assistance provisions of the Social Security Act so as to provide for a more effective distribution of Federal funds for medical and other remedial care.

H. R. 6287, fiscal 1958 appropriations for Departments of Labor, and Health, Education, and Welfare. Signed June 29, 1957 (P. L. 85-67).

H. R. 4748, to extend the time during which annual assessment work on unpatented mining claims may be made. Signed June 29, 1957 (P. L. 85-68).

H. R. 6070, fiscal 1958 appropriations for Independent Offices. Signed June 29, 1957 (P. L. 85-69).

H. R. 3373, relating to injury and death resulting from war-risk hazards suffered by employees of contractors of U. S. Signed June 29, 1957 (P. L. 85-70).

H. R. 6523, providing compensation for Federal employees suffering injuries from war-risk hazards. Signed June 29, 1957 (P. L. 85-71).

H. R. 7050, relating to recoupment of funds expended in cooperation with the School Board of Klamath County, Oreg., because of the attendance of Indian children. Signed June 29, 1957 (P. L. 85-72).

H. R. 7835, to increase the authorization for appropriations for D. C. Hospital Center. Signed June 29, 1957 (P. L. 85-73).

H. R. 7954, relating to exemption of furlough travel by service personnel from the tax on transportation of persons. Signed June 29, 1957 (P. L. 85-74).

H. R. 7599, fiscal 1958 appropriations for legislative branch. Signed July 1, 1957 (P. L. 85-75).

S. 768, to designate the east 14th Street highway bridge over the Potomac River in D. C. as the Rochambeau Memorial Bridge. Signed July 1, 1957 (P. L. 85-76).

H. R. 5189, fiscal 1958 appropriations for Interior Department. Signed July 1, 1957 (P. L. 85-77).

H. J. Res. 391, making temporary appropriations for fiscal year 1958 for certain departments whose regular appropriation bills are still pending in Congress. Signed July 1, 1957 (P. L. 85-78).

COMMITTEE MEETINGS FOR WEDNESDAY, JULY 3

(All meetings are open unless otherwise designated)

Senate

Committee on Agriculture and Forestry, executive, on committee business, 10 a. m., 324 Senate Office Building.

Committee on Banking and Currency, executive, to consider small business credit legislation, 10 a. m., 301 Senate Office Building.

Committee on Interstate and Foreign Commerce, Subcommittee on Aviation, on S. 2229, loans to certain air carriers, 10 a. m., room G-16, Capitol.

Committee on the Judiciary, Antitrust and Monopoly Subcommittee, on Government's policy of granting rapid tax amortization certificates in certain industries, 9:30 a. m., 318 Senate Office Building; Internal Security Subcommittee, on Communist infiltration of labor unions, 11 a. m., 457 Senate Office Building.

Committee on Post Office and Civil Service, Post Office Subcommittee, executive, on subcommittee business, 10 a. m., 135 Senate Office Building.

Committee on Rules and Administration, executive, on S. 2150, Federal Elections Act of 1957, and related bills, 10 a. m., 104-B Senate Office Building.

House

Committee on Armed Services, Special Investigating Subcommittee on military airfield paving problems. Army Corps of Engineers and Air Force witnesses will be heard, 10 a. m., 304 Old House Office Building.

Committee on District of Columbia, Subcommittee on Public Utilities, Insurance, and Banking on taxicab situation in the District of Columbia, 10 a. m., 445 Old House Office Building.

Committee on Education and Labor, Subcommittee on Special Education on bills to provide for the establishment of a Federal Advisory Commission on the Arts. Representative Thompson of New Jersey will be the principal witness, 10 a. m., 429 Old House Office Building.

Committee on Interior and Insular Affairs, full committee on pending bills, 10 a. m., 1324 New House Office Building.

Committee on Interstate and Foreign Commerce, Subcommittee on Traffic Safety, executive, to consider future plans of the Subcommittee, 10 a. m., 1334 New House Office Building.

Digest of CONGRESSIONAL PROCEEDINGS

OF INTEREST TO THE DEPARTMENT OF AGRICULTURE

OFFICE OF BUDGET AND FINANCE
(For Department Staff Only)

Issued July 8, 1957
For actions of July 5, 1957
85th-1st, No. 117

CONTENTS

Acreage reserve.....18	Foreign aid.....8	Personnel.....23
Adjournment.....9,30	Housing.....27	Potatoes.....21
Advisory committees.....8	Insect control.....13	Poultry.....8,16
Agricultural	Legislative program.....8	Public Law 480.....2
appropriations.....1,8	Livestock.....19	Reclamation.....5
Budget.....10	Loans.....8	Reorganization.....8
CCC.....7	Military	Research.....20
Dairy industry.....22	construction.....7,8,29	Small business.....28
Civil defense.....3	Monopolies.....15	Surplus disposal.....2,7
Committees.....17	Nomination.....25	Trade, foreign.....2,14
Contracts.....10	Oleomargarine.....4	TVA.....24
Electrification.....6	Paperwork.....26	Water.....12
Farm program.....11		

HIGHLIGHTS: House received conference reports on: Agricultural appropriation bill. Extension of Public Law 480.

HOUSE

1. AGRICULTURAL APPROPRIATION BILL FOR 1958. Received the conference report on this bill, H.R. 7441 (H. Rept. 682). (pp. 9822-24) At the end of this Digest is a summary of the actions of the conferees.
2. FOREIGN TRADE; SURPLUS DISPOSAL. Received the conference report on S. 1314, to extend the Agricultural Trade Development and Assistance Act of 1954 (Public Law 480) for one year, to increase the authorization under Title I from \$3 to \$4 billion, and to authorize \$300 million additional under Title II for famine relief (H. Rept. 683). (pp. 9824-25) The conference report also includes the following provisions:
 - Permits barter transactions (but not sales for local currency) with the European satellite nations, but specifically prohibits barter transactions with the U.S.S.R., Communist China, or any of the areas dominated or controlled by the Communist regime in China.
 - Omits the House provision which would have extended the appropriating authority of Congress to the financing of international educational exchange activities and the translation, publication, and distribution of books and periodicals with foreign currencies available under the act.
 - Provides that up to 25 percent of foreign currencies received may be loaned to domestic or foreign firms for developing markets for U.S. agricultural products, provided that no loans may be made for the manufacture or production of any commodity to be marketed in competition with U.S. agricultural commodities or the products thereof.

Retains the House provision requiring that a full report on any agreement for the use of any foreign currencies be made to the Senate and House and to the Committees on Agriculture and Appropriations within sixty days after any such agreement is entered into.

Omits the House provision that would have made surplus food commodities available for contribution to State and local penal and correctional institutions.

The conference report contains the following statement: "The conferees take this occasion to specifically reaffirm the statements with respect to the basic objectives of Public Law 480 and the operations thereunder which were contained in the committee reports of the two Houses on this legislation. Specifically, the conference committee believes that the provisions of Public Law 480 should be utilized to the fullest to develop new and expanded markets abroad for the products of American agriculture. In this connection, the committee of conference expects that extra long staple cotton will be sold under the authority of this act, as is upland cotton, to any friendly nation without regard to the fact that this commodity may compete with a similar commodity produced outside the United States, and that all surplus agricultural commodities regardless of the kind, will be made available for sale under the act without the imposition of conditions which would prevent or tend to interfere with their sale. Rather than in any way seeking to discourage or impede the sales of such surplus commodities, their sales should be emphasized if it appears that by such sale under this act a future market for dollars, in the regular course of international trade, may be established for such commodities."

3. CIVIL DEFENSE. The Armed Services Committee reported without amendment H.R. 7576, to amend the Federal Civil Defense Act of 1950 so as to provide for contributions to the States for certain civil defense purposes (H. Rept. 694). p. 9837
4. OLEOMARGARINE. The Armed Services Committee reported with amendment H.R. 912, to provide for the serving of oleomargarine or margarine in the Navy ration (H. Rept. 690). p. 9837
5. RECLAMATION. The Interior and Insular Affairs Committee submitted minority views on H.R. 2147, to provide for the construction by the Department of the Interior of the San Angelo reclamation project, Tex. (H. Rept. 664). p. 9837
6. ELECTRIFICATION. Rep. Pfof inserted a newspaper editorial discussing the issues involved in the Hells Canyon controversy. p. 9826
Rep. Abernethy spoke in favor of legislation to permit TVA to finance its own power expansion facilities by the use of revenue bonds. pp. 9827-29
7. SURPLUS COMMODITIES; MILITARY CONSTRUCTION. In the report on H.R. 8240 (H. Rept. 638), the military construction bill, the Armed Services Committee stated as follows: "Section 410 would further amend section 407 of Public Law 765, 83rd Congress (surplus commodity program), to assure that housing allotments otherwise paid to or rental charges collected from civilian personnel will be available for payments to the Commodity Credit Corporation when such personnel occupy housing constructed under this program."
8. LEGISLATIVE PROGRAM. Rep. Albert announced that on Mon., July 8, H.R. 8240, the military construction bill, will be considered, to be followed on Tues. and the remainder of the week with consideration of H.R. 7441, the agricultural appropriation bill, H.R. 6814, compulsory poultry inspection, H.R. 7390,

EXTENSION OF PUBLIC LAW 480

JULY 5, 1957.—Ordered to be printed

Mr. COOLEY, from the committee of conference, submitted the following

CONFERENCE REPORT

[To accompany S. 1314]

The committee of conference on the disagreeing votes of the two Houses on the amendment of the House to the bill (S. 1314) to extend the Agricultural Trade Development and Assistance Act of 1954, and for other purposes, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the Senate recede from its disagreement to the amendment of the House and agree to the same with an amendment as follows:

In lieu of the matter proposed to be inserted by the House amendment insert the following: *That the Agricultural Trade Development and Assistance Act of 1954, as amended, is amended as follows:*

(1) Sections 109 and 204 of such Act are amended by striking out "1957" and substituting in lieu thereof "1958".

(2) Section 103 (b) of such Act is amended by striking out "\$3,000,000,000" and inserting in lieu thereof "\$4,000,000,000".

(3) Section 203 of such Act is amended by striking out "\$500,000,000" and inserting in lieu thereof "\$800,000,000".

(4) Section 104 (e) of such Act is amended by striking out the semicolon at the end thereof and adding a comma and the following: "for which purposes not more than 25 per centum of the currencies received pursuant to each such agreement shall be available through and under the procedures established by the Export-Import Bank for loans mutually agreeable to said bank and the country with which the agreement is made to United States business firms and branches, subsidiaries, or affiliates of such firms for business development and trade expansion in such countries and for loans to domestic or foreign firms for the establishment of facilities for aiding in the utilization, distribution, or otherwise increasing the consumption of, and markets for, United States agricultural products: Provided, however, That no such loans shall be made for the

manufacture of any products to be exported to the United States in competition with products produced in the United States or for the manufacture or production of any commodity to be marketed in competition with United States agricultural commodities or the products thereof. Foreign currencies may be accepted in repayment of such loans."

(5) Within sixty days after any agreement is entered into for the use of any foreign currencies, a full report thereon shall be made to the Senate and the House of Representatives of the United States and to the Committees on Agriculture and Appropriations thereof.

(6) Section 304 of such Act is amended to read as follows:

"SEC. 304. (a) The President shall exercise the authority contained in title I of this Act (1) to assist friendly nations to be independent of trade with the Union of Soviet Socialist Republics and with nations dominated or controlled by the Union of Soviet Socialist Republics and (2) to assure that agricultural commodities sold or transferred thereunder do not result in increased availability of those or like commodities to unfriendly nations.

"(b) Nothing in this Act shall be construed as authorizing transactions under title I or title III with the Union of Soviet Socialist Republics or any of the areas dominated or controlled by the Communist regime in China."

And the House agree to the same.

*HAROLD D. COOLEY,
W. R. POAGE,
E. C. GATHINGS,
AUG. H. ANDRESEN,
WILLIAM S. HILL,
Managers on the Part of the House.*

*ALLEN J. ELLENDER,
OLIN D. JOHNSTON,
SPESSARD L. HOLLAND,
JAMES O. EASTLAND,
HUBERT H. HUMPHREY,
GEORGE D. AIKEN,
MILTON R. YOUNG,
EDWARD J. THYE,
BOURKE B. HICKENLOOPER,
Managers on the Part of the Senate.*

STATEMENT OF MANAGERS ON THE PART OF THE HOUSE

The managers on the part of the House at the conference on the disagreeing positions of the two houses on S. 1314, to extend the Agricultural Trade Development and Assistance Act of 1954, and for other purposes, submit the following statement in explanation of the effect of the action agreed upon by the conferees and recommended in the accompanying conference report:

The action of the House was on the bill H. R. 6974 and after adoption of this bill in the House the Senate bill was amended by striking out all after the enacting clause and substituting the provisions of the House bill.

As passed by the Senate, S. 1314 contained 4 provisions; 3 of which were identical with similar provisions in the House amendment.

MATTERS IN AGREEMENT

The three provisions with respect to which the Senate bill and the House amendment were identical are (1) extension of the termination date of titles I and II of the act from June 30, 1957, to June 30, 1958; (2) an increase of \$1 billion in authority to dispose of surplus commodities under title I of the act; and (3) an increase of \$300 million in the allowable disposals for famine relief and other assistance under title II of the act. With respect to these three provisions, the compromise substitute agreed upon by the conferees and reported herewith is identical with the provisions of both the Senate bill and the House amendment.

BARTER WITH SATELLITE COUNTRIES

The fourth provision in the Senate bill was the repeal of section 304 of the act which had been construed to prohibit barter transactions with the so-called "satellite countries." The House bill contained no such provision.

With respect to this matter, the conference has agreed upon a compromise position which will permit barter transactions (but not sales for local currency) with the European satellite nations but which specifically prohibits barter transactions with the U. S. S. R. itself, with Communist China, or with any of the areas dominated or controlled by the Communist regime in China. It is to be noted that the existing provisions of title I of the act, in which no change is made, prohibit sales for foreign currency under title I to the U. S. S. R. or "any nation or area dominated or controlled by the foreign government or foreign organization controlling the world Communist movement."

ADDITIONAL APPROPRIATING AUTHORITY

The conference bill omits the provision of the House amendment which would have extended the appropriating authority of Congress to the financing of international educational exchange activities and the translation, publication, and distribution of books and periodicals

with foreign currencies available pursuant to the provisions of the act. The committee of conference considered this point at length and the House conferees receded from the House amendment in this matter only after it was pointed out that the foreign currencies proposed to be used for these programs are budgeted several years in advance pursuant to agreements entered into with the respective foreign countries; that these budget estimates are submitted by the Bureau of the Budget to the Appropriations Committees; that the amount of foreign currency to be used for these programs is taken into consideration by the Appropriations Committees in making their dollar appropriations; and that, therefore, enactment of the House provision would add nothing to the real authority of the Appropriations Committees while it would seriously curtail the authority of the President to make agreements with other governments with respect to the sale of surplus commodities and with respect to these particular programs.

FOREIGN CURRENCY LOANS TO PRIVATE BUSINESS

The conference bill contains with some modification the provisions of the House amendment with respect to this matter. The modifications (1) make it clear that loans for the establishment of facilities for aiding in the utilization, distribution, or otherwise increasing the consumption of, and markets for, United States agricultural products may be made to either foreign or domestic firms and (2) provide that loans may not be made for the manufacture or production of any commodity to be marketed in competition with United States agricultural commodities or the products thereof.

As agreed to by the committee of conference, this provision expresses a firm but general policy of the Congress that a substantial portion (25 percent unless there are compelling reasons for using a less amount) of the foreign currencies accruing under agreements hereafter entered into should be used for loans to assist the development and expansion of private business in the countries with which agreements are made under Public Law 480. These loans are to be of two types: (1) loans to United States business firms and their branches, subsidiaries, or affiliates for general business development and trade expansion and (2) loans to either United States or foreign business firms for expanding markets for, and consumption of, American agricultural products abroad. The bill provides that such loans are to be made through and under the procedures of the Export-Import Bank and that they may be repaid in the foreign currency in which the loan is made. The detailed provisions as to the terms of the loans, the manner in which specific loans are to be made, and the method and time of repayment are left to the determination of the President and will doubtless also be embodied to a mutually satisfactory extent in the agreements with foreign governments under this act. In this connection the committee of conference points out that the approval and concurrence of the foreign government in this loan program is fully assured by the requirement that the loans negotiated by the Export-Import Bank must be "mutually agreeable" to the bank and to the nation involved.

REPORTS ON AGREEMENTS

The conference bill retains the House provision requiring that a full report on any agreement for the use of any foreign currencies be made to the Senate and House and to the Committees on Agriculture and Appropriations thereof within 60 days after any such agreement is entered into.

SURPLUS FOODS FOR STATE PENAL INSTITUTIONS

The conference bill does not contain the provision in the House amendment that would have made surplus food commodities available for contribution to State and local penal and correctional institutions. In this connection it was pointed out that there has been a substantial reduction in the past year in the stocks of surplus foods in the hands of the Commodity Credit Corporation, and it appears at the present time that the existing list of eligible recipients of this food is entirely adequate to absorb the remaining stocks on hand and those which may reasonably be anticipated for the immediate future. While maintaining the soundness of its position in this matter, the House conferees felt that they should not insist on their position at this time.

BASIC OBJECTIVES OF THE ACT

The conferees take this occasion to specifically reaffirm the statements with respect to the basic objectives of Public Law 480 and the operations thereunder which were contained in the committee reports of the two Houses on this legislation. Specifically, the conference committee believes that the provisions of Public Law 480 should be utilized to the fullest to develop new and expanded markets abroad for the products of American agriculture. In this connection the committee of conference expects that extra long staple cotton will be sold under the authority of this act, as is upland cotton, to any friendly nation without regard to the fact that this commodity may compete with a similar commodity produced outside the United States, and that all surplus agricultural commodities regardless of the kind will be made available for sale under the act without the imposition of conditions which would prevent or tend to interfere with their sale. Rather than in any way seeking to discourage or impede the sales of such surplus commodities, their sales should be emphasized if it appears that by such sale under this act a future market for dollars, in the regular course of international trade, may be established for such commodities.

HAROLD D. COOLEY,
W. R. POAGE,
E. C. GATHINGS,
AUG. H. ANDRESEN,
WILLIAM S. HILL,

Managers on the Part of the House.

Amendment numbered 5: That the House recede from its disagreement to the amendment of the Senate numbered 5, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "\$29,853,708"; and the Senate agree to the same.

Amendment numbered 6: That the House recede from its disagreement to the amendment of the Senate numbered 6, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "\$30,353,708"; and the Senate agree to the same.

Amendment numbered 7: That the House recede from its disagreement to the amendment of the Senate numbered 7, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "\$49,220,000"; and the Senate agree to the same.

Amendment numbered 8: That the House recede from its disagreement to the amendment of the Senate numbered 8, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "\$50,715,000"; and the Senate agree to the same.

Amendment numbered 9: That the House recede from its disagreement to the amendment of the Senate numbered 9, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "\$14,116,700"; and the Senate agree to the same.

Amendment numbered 11: That the House recede from its disagreement to the amendment of the Senate numbered 11, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "\$4,002,300"; and the Senate agree to the same.

Amendment numbered 13: That the House recede from its disagreement to the amendment of the Senate numbered 13, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "\$2,660,660"; and the Senate agree to the same.

Amendment numbered 16: That the House recede from its disagreement to the amendment of the Senate numbered 16, and agree to the same with an amendment, as follows: In lieu of the sum of "\$73,545,000" named in said amendment insert "\$72,545,000"; and the Senate agree to the same.

Amendment numbered 21: That the House recede from its disagreement to the amendment of the Senate numbered 21, and agree to the same with an amendment, as follows: In lieu of the sum of "\$1,500" named in said amendment insert "\$2,500"; and the Senate agree to the same.

Amendment numbered 22: That the House recede from its disagreement to the amendment of the Senate numbered 22, and agree to the same with an amendment, as follows: In lieu of the sum of "\$350,000,000" named in said amendment insert "\$325,000,000"; and the Senate agree to the same.

The committee of conference report in disagreement amendments numbered 12 and 24.

JAMIE L. WHITTEN,
FRED MARSHALL
(except as to amendment 24),
WILLIAM H. NATCHER,
CLARENCE CANNON,
H. CARL ANDERSEN,
WALT HORAN,
C. W. VURSELL,

Managers on the Part of the House.

RICHARD B. RUSSELL,
CARL HAYDEN,
LISTER HILL,
A. WILLIS ROBERTSON,
ALLEN J. ELLENDER,
MILTON R. YOUNG,
KARL E. MUNDT,
HENRY C. DWORSHAK,

Managers on the Part of the Senate.

STATEMENT

The managers on the part of the House at the conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 7441) making appropriations for the Department of Agriculture and Farm Credit Administration for the fiscal year ending June 30, 1958, and for other purposes, submit the following statement in explanation of the effect of the action agreed upon and recommended in the accompanying conference report as to each of such amendments, namely:

DEPARTMENT OF AGRICULTURE *Agricultural Research Service*

Amendment No. 1—Salaries and expenses: Limits building alterations to four percentum of the cost of the building, instead of three percentum as proposed by the House and five percentum as proposed by the Senate.

Amendment No. 1a—Research: Appropriates \$57,794,890, instead of \$48,994,890 as proposed by the House and \$58,794,890 as proposed by the Senate. The amount agreed to provides an additional \$1,000,000 for utilization research over the House bill.

Amendment No. 2—Research: Provides language for construction, alteration, and repair of buildings and acquisition of necessary lands therefor.

The laboratory in Mississippi is for work in the general field of hydraulic engineering with special emphasis on the entrainment, transportation, and disposition of sediment, shall be on the scale approved by the House, and shall be located as heretofore requested and justified before the Appropriations Committees of the House and Senate by the Department of Agriculture, to serve the needs of the Little Tallahatchie and Yazoo Watersheds, as well as the general research needs of the watershed treatment and flood-prevention programs of the Soil Conservation Service.

The conferees understand that such laboratory will be operated in cooperation with the University of Mississippi and Mississippi State College, in line with the general intent of the cooperative agreement entered into by the Department of Agriculture, the University of Mississippi, and Mississippi State College, which became effective August 1, 1956, for the operation of the present research project in this field.

The Conferees agree that the laboratory designated for the Midwest in the Senate report should be constructed on the scale approved by the House and should be located in the Barnes-Aasted area of the North Central States as indicated in the House report and as supported by testimony of Department officials in subcommittee hearings held on September 24, 1956.

Amendment No. 3—Plant and animal disease and pest control: Appropriates \$26,082,000 as proposed by the Senate instead of \$25,682,000 as proposed by the House.

Amendment No. 4—Meat inspection: Appropriates \$16,826,000 as proposed by the Senate instead of \$16,586,000 as proposed by the House. The conferees direct that the additional funds agreed to be used to provide additional inspectors for new meatpacking plants.

Amendments Nos. 5 and 6—State experiment stations: Appropriate \$30,353,708 instead of \$29,503,708 as proposed by the House and \$30,503,708 as proposed by the Senate.

Extension Service

Amendments Nos. 7 and 8—Payments to States, Hawaii, Alaska, and Puerto Rico: Appropriate \$50,715,000 instead of \$49,101,000 as proposed by the House and \$50,865,000 as proposed by the Senate. The additional funds agreed to above the House figure should be used to expand the work of the regular extension agents. Not to exceed \$250,000 of the increase should be used for the rural development program primarily in

States which have not had such a program heretofore.

Agricultural Marketing Service

Amendment No. 9—Marketing research and agricultural estimates: Appropriates \$14,116,700 instead of \$14,041,700 as proposed by the House and \$14,141,700 as proposed by the Senate. The conference committee directs that the additional work relative to the weather crop reports and estimates of poultry laying flocks and egg production be performed within the funds approved.

Amendment No. 10—Marketing services: Appropriates \$14,274,900 as proposed by the House instead of \$14,324,900 as proposed by the Senate. The conferees are agreed that, since the livestock market at Sioux Falls, S. Dak., has recently been placed in category I, it deserves treatment similar to other markets in this category.

The conference committee has agreed that the reference in the Senate committee report was not intended to preclude research on truck transportation, but was intended to emphasize that care be exercised in the Department to make sure that research publications are impartial in dealing with the various methods of transportation, and to emphasize the need for a careful review of research projects undertaken as to essentiality and as to benefits to be derived therefrom by agricultural producers.

Foreign Agricultural Service

Amendment No. 11—Appropriates \$4,002,300 instead of \$3,902,300 as proposed by the House and \$4,052,300 as proposed by the Senate. The conferees expect that the home-leave travel needs of this Service will be met within the total funds approved.

Amendment No. 12—Reported in disagreement.

Office of the Secretary

Amendment No. 13—Appropriates \$2,660,660 instead of \$2,640,660 as proposed by the House and \$2,664,060 as proposed by the Senate.

Soil and water conservation

Amendment No. 14—Strikes House language establishing a combined appropriation for all soil and water conservation programs of the Department. Individual appropriations for all items involved are provided by amendments Nos. 15 through 22 which follow. The conferees are of the opinion that there are benefits to be derived from the consolidation of some or all of these appropriations, but feel that further consideration should be given to such a change. Accordingly, the Secretary is requested to study the matter and be prepared to discuss his findings with the House and Senate Appropriations Committees during consideration of the 1959 budget.

Soil Conservation Service

Amendment No. 15—Inserts heading.

Amendment No. 16—Conservation operations: Appropriates \$72,545,000 instead of \$73,545,000 as proposed by the Senate. The increase included in this amount is provided to furnish technical assistance to new soil conservation districts to be organized during the next year.

Amendment No. 17—Watershed protection: Appropriates \$25,500,000 as proposed by the Senate.

Amendment No. 18—Flood prevention: Appropriates \$13,220,000 as proposed by the Senate.

Amendment No. 19—Water conservation and utilization projects: Appropriates \$350,000 as proposed by the Senate.

Great Plains program

Amendment No. 20—Appropriates \$10,000,000 as proposed by the Senate.

Agricultural conservation program

Amendment No. 21—Appropriates \$212,000,000 as proposed by the Senate, and limits amount to be received by any one par-

ticipant to \$2,500 as proposed by the House instead of \$1,500 as proposed by the Senate. It is agreed by the conference committee that the change in this limitation should not affect present or future allocations under the basic formula governing the distribution of funds to States under this appropriation.

The amount appropriated, together with the balance of \$38,000,000 available from the 1955 program, will provide the full \$250,000,000 authorized for the 1957 program.

The conferees believe that the conservation reserve program should not be used to curtail existing programs, particularly the agricultural conservation program. It is understood from the Department's justification no changes will be made in the 1958 agricultural Conservation Program will be continued on the same basis as the 1957 program. In agreeing to the funds for this purpose in the accompanying bill, the conferees direct that no changes will be made in the 1958 Agricultural conservation program to restrict eligibility requirements or delete cost-sharing practices included in the 1957 program. Floods and drought conditions in much of the Nation make it imperative that all 1957 program practices be continued in 1958.

It is to be noted that the 1957 conservation reserve program is participated in by only 81,130 people at an estimated cost of \$133,000,000, whereas the 1957 agricultural conservation program is participated in by 1,275,000 farmers at an estimated Federal cost of about \$250,000,000.

The conferees recommend that the Department revise its method of securing recommendations for practices covered by the proposed advance authorization for the 1959 agricultural conservation program by securing recommendations for cost-sharing practices from county and State committees at the time the 1958 program is formulated. This should result in economy of program administration, more timely recommendations for formulation of a national agricultural conservation program for 1959, and should enable the Department to present any changes proposed in the 1959 program to the Congress during appropriation hearings next year.

Soil-bank programs

Amendment No. 22—Conservation reserve program: Appropriates \$162,940,000 as proposed by the Senate and authorizes \$325,000,000 for future programs instead of \$250,000,000 as proposed by the House and \$350,000,000 as proposed by the Senate. The conferees are of the opinion that, in determining individual payments, the Secretary should give careful consideration to the value of the land and the normal rental value as required by the Soil Bank Act.

Amendment No. 23—Changes heading.

Amendment No. 24—Acreage reserve program: Reported in disagreement. The managers on the part of the House intend to offer a motion to recede and concur with an amendment limiting payments to any one producer to \$3,000 instead of \$2,500 as proposed by the House and \$5,000 as proposed by the Senate.

In the opinion of the conferees, acreage reserve contracts in 1958 should be limited to crops which would normally be planted on or before July 1, 1958, and all payments should be made on or before September 15, 1958. All contracts should require the participant farmer to cooperate in an effort to reduce his total production of the commodity or competitive commodity in the amount of the normal production of the acreage rented to the Government.

The Secretary is urged to reexamine the formula used to establish compensation rates paid to producers as provided by section 105 (a) of the Soil Bank Act to make certain that producer payments do not exceed fair and reasonable rates. The Secretary should provide State and county committees with clear-cut guides for setting local rates and

should make certain that such rates are established in line with the intent of the act.

Commodity Credit Corporation

Amendment No. 25—Limitation on administrative expenses: Provides \$35,398,000 as proposed by the Senate instead of \$34,398,000 as proposed by the House. It is agreed by the conference committee that the additional \$1,000,000 should be placed in reserve to be used under the same conditions as the 7-percent reserve already provided by the bill.

JAMIE L. WHITTEN,
FRED MARSHALL
(except as to
amendment 24),
WILLIAM H. NATCHER,
CLARENCE CANNON,
H. CARL ANDERSEN,
WALT HORAN,
C. W. VURSELL,

Managers on the Part of the House.

EXTENDING AGRICULTURAL TRADE DEVELOPMENT AND ASSISTANCE ACT OF 1954

Mr. GATHINGS submitted the following conference report and statement on the bill (S. 1314) to extend the Agricultural Trade Development and Assistance Act of 1954, and for other purposes:

CONFERENCE REPORT (H. REPT. No. 683)

The committee of conference on the disagreeing votes of the two Houses on the amendment of the House to the bill (S. 1314) to extend the Agricultural Trade Development and Assistance Act of 1954, and for other purposes, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the Senate recede from its disagreement to the amendment of the House and agree to the same with an amendment as follows: In lieu of the matter proposed to be inserted by the House amendment insert the following: "That the Agricultural Trade Development and Assistance Act of 1954, as amended, is amended as follows:

"(1) Sections 109 and 204 of such Act are amended by striking out '1957' and substituting in lieu thereof '1958.'

"(2) Section 103 (b) of such Act is amended by striking out '\$3,000,000,000' and inserting in lieu thereof '\$4,000,000,000.'

"(3) Section 203 of such Act is amended by striking out '\$500,000,000' and inserting in lieu thereof '\$800,000,000.'

"(4) Section 104 (e) of such Act is amended by striking out the semicolon at the end thereof and adding a comma and the following: 'for which purposes not more than 25 per centum of the currencies received pursuant to each such agreement shall be available through and under the procedures established by the Export-Import Bank for loans mutually agreeable to said bank and the country with which the agreement is made to United States business firms and branches, subsidiaries, or affiliates of such firms for business development and trade expansion in such countries and for loans to domestic or foreign firms for the establishment of facilities for aiding in the utilization, distribution, or otherwise increasing the consumption of, and markets for, United States agricultural products: *Provided, however,* That no such loans shall be made for the manufacture of any products to be exported to the United States in competition with products produced in the United States or for the manufacture or production of any commodity to be marketed in competition with United States agricultural commodities or the products thereof. Foreign currencies may be accepted in repayment of such loans.'

"(5) Within sixty days after any agreement is entered into for the use of any foreign currencies, a full report thereon shall be made to the Senate and the House of Representatives of the United States and to the Committees on Agriculture and Appropriations thereof.

"(6) Section 304 of such Act is amended to read as follows:

"SEC. 304. (a) The President shall exercise the authority contained in title I of this Act (1) to assist friendly nations to be independent of trade with the Union of Soviet Socialist Republics and with nations dominated or controlled by the Union of Soviet Socialist Republics and (2) to assure that agricultural commodities sold or transferred thereunder do not result in increased availability of those or like commodities to unfriendly nations.

"(b) Nothing in this Act shall be construed as authorizing transactions under title I or title III with the Union of Soviet Socialist Republics or any of the areas dominated or controlled by the Communist regime in China."

And the House agree to the same.

HAROLD D. COOLEY,
W. R. POAGE,
E. C. GATHINGS,
AUGUST H. ANDRESEN,
WILLIAM S. HILL,

Managers on the Part of the House.

ALLEN J. ELLENDER,
OLIN D. JOHNSTON,
SPESSARD L. HOLLAND,
JAMES O. EASTLAND,
HUBERT H. HUMPHREY,
GEORGE D. AIKEN,
MILTON R. YOUNG,
EDWARD J. THYE,
BOURKE D. HICKENLOOPER,

Managers on the Part of the Senate.

STATEMENT

The managers on the part of the House at the conference on the disagreeing positions of the two Houses on S. 1314, to extend the Agricultural Trade Development and Assistance Act of 1954, and for other purposes, submit the following statement in explanation of the effect of the action agreed upon by the conferees and recommended in the accompanying conference report:

The action of the House was on the bill H. R. 6974 and after adoption of this bill in the House the Senate bill was amended by striking out all after the enacting clause and substituting the provisions of the House bill.

As passed by the Senate, S. 1314 contained four provisions, three of which were identical with similar provisions in the House amendment.

MATTERS IN AGREEMENT

The three provisions with respect to which the Senate bill and the House amendment were identical are: (1) Extension of the termination date of titles I and II of the act from June 30, 1957, to June 30, 1958; (2) an increase of one billion dollars in authority to dispose of surplus commodities under title I of the act; and (3) an increase of three hundred million dollars in the allowable disposals for famine relief and other assistance under title II of the act. With respect to these three provisions, the compromise substitute agreed upon by the conferees and reported herewith is identical with the provisions of both the Senate bill and the House amendment.

BARTER WITH SATELLITE COUNTRIES

The fourth provision in the Senate bill was the repeal of section 304 of the act which had been construed to prohibit barter transactions with the so-called satellite countries. The House bill contained no such provision.

With respect to this matter, the conference has agreed upon a compromise position which will permit barter transactions (but

not sales for local currency) with the European satellite nations but which specifically prohibits barter transactions with the U. S. S. R. itself, with Communist China, or with any of the areas dominated or controlled by the Communist regime in China. It is to be noted that the existing provisions of title I of the act, in which no change is made, prohibit sales for foreign currency under title I to the U. S. S. R. or "any nation or area dominated or controlled by the foreign government or foreign organization controlling the world Communist movement."

ADDITIONAL APPROPRIATING AUTHORITY

The conference bill omits the provision of the House amendment which would have extended the appropriating authority of Congress to the financing of international educational exchange activities and the translation, publication, and distribution of books and periodicals with foreign currencies available pursuant to the provisions of the act. The committee of conference considered this point at length and the House conferees receded from the House amendment in this matter only after it was pointed out that the foreign currencies proposed to be used for these programs are budgeted several years in advance pursuant to agreements entered into with the respective foreign countries, that these budget estimates are submitted by the Bureau of the Budget to the Appropriations Committees, that the amount of foreign currency to be used for these programs is taken into consideration by the Appropriations Committees in making their dollar appropriations, and that, therefore, enactment of the House provision would add nothing to the real authority of the Appropriations Committees while it would seriously curtail the authority of the President to make agreements with other governments with respect to the sale of surplus commodities and with respect to these particular programs.

FOREIGN CURRENCY LOANS TO PRIVATE BUSINESS

The conference bill contains with some modification the provisions of the House amendment with respect to this matter. The modifications: (1) make it clear that loans for the establishment of facilities for aiding in the utilization, distribution, or otherwise increasing the consumption of, and markets for, United States agricultural products may be made to either foreign or domestic firms and (2) provide that loans may not be made for the manufacture or production of any commodity to be marketed in competition with United States agricultural commodities or the products thereof.

As agreed to by the committee of conference, this provision expresses a firm but general policy of the Congress that a substantial portion (25 percent unless there are compelling reasons for using a less amount) of the foreign currencies accruing under agreements hereafter entered into should be used for loans to assist the development and expansion of private business in the countries with which agreements are made under Public Law 480. These loans are to be of two types: (1) loans to United States business firms and their branches, subsidiaries, or affiliates for general business development and trade expansion, and (2) loans to either United States or foreign business firms for expanding markets for and consumption of American agricultural products abroad. The bill provides that such loans are to be made through and under the procedures of the Export-Import Bank and that they may be repaid in the foreign currency in which the loan is made. The detailed provisions as to the terms of the loans, the manner in which specific loans are to be made, and the method and time of repayment, are left to the determination of the President and will doubtless also be embodied to a mutually satisfactory extent in the agreements with foreign governments under this act. In this connection, the committee of conference points out that

the approval and concurrence of the foreign government in this loan program is fully assured by the requirement that the loans negotiated by the Export-Import Bank must be "mutually agreeable" to the bank and to the nation involved.

REPORTS ON AGREEMENTS

The conference bill retains the House provision requiring that a full report on any agreement for the use of any foreign currencies be made to the Senate and House and to the Committees on Agriculture and Appropriations thereof within sixty days after any such agreement is entered into.

SURPLUS FOODS FOR STATE PENAL INSTITUTIONS

The conference bill does not contain the provision in the House amendment that would have made surplus food commodities available for contribution to State and local penal and correctional institutions. In this connection it was pointed out that there has been a substantial reduction in the past year in the stocks of surplus foods in the hands of the Commodity Credit Corporation and it appears at the present time that the existing list of eligible recipients of this food is entirely adequate to absorb the remaining stocks on hand and those which may reasonably be anticipated for the immediate future. While maintaining the soundness of its position in this matter, the House conferees felt that they should not insist on their position at this time.

BASIC OBJECTIVES OF THE ACT

The conferees take this occasion to specifically reaffirm the statements with respect to the basic objectives of Public Law 480 and the operations thereunder which were contained in the committee reports of the two Houses on this legislation. Specifically, the conference committee believes that the provisions of Public Law 480 should be utilized to the fullest to develop new and expanded markets abroad for the products of American agriculture. In this connection, the committee of conference expects that extra long staple cotton will be sold under the authority of this act, as is upland cotton, to any friendly nation without regard to the fact that this commodity may compete with a similar commodity produced outside the United States, and that all surplus agricultural commodities regardless of the kind, will be made available for sale under the act without the imposition of conditions which would prevent or tend to interfere with their sale. Rather than in any way seeking to discourage or impede the sales of such surplus commodities, their sales should be emphasized if it appears that by such sale under this act a future market for dollars, in the regular course of international trade, may be established for such commodities.

HAROLD D. COOLEY,
W. R. POAGE,
E. C. GATHINGS,
AUGUST H. ANDRESEN,
WILLIAM S. HILL,

Managers on the Part of the House.

PUBLIC ASSISTANCE MEDICAL CARE PROVISIONS

Mr. COOPER submitted the following conference report and statement on the bill (H. R. 7238) to amend the public-assistance provisions of the Social Security Act so as to provide for a more effective distribution of Federal funds for medical and other remedial care:

PUBLIC ASSISTANCE MEDICAL CARE PROVISIONS (H. REPT. NO. 684)

The committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 7238) to amend the public assistance provi-

sions of the Social Security Act so as to provide for a more effective distribution of Federal funds for medical and other remedial care having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the House recede from its disagreement to the amendment of the Senate to the text of the bill and agree to the same with an amendment as follows: On page 2, of the Senate engrossed amendments, strike out lines 14, 15, and 16; and the Senate agree to the same.

That the House recede from its disagreement to the amendment of the Senate to the title of the bill and agree to the same.

JERE COOPER,
W. D. MILLS,
NOBLE J. GREGORY,
DANIEL A. REED,
THOMAS A. JENKINS,

Managers on the Part of the House.

HARRY F. BYRD,
By K.

ROBT. S. KERR,
J. ALLEN FREAR, JR.
EDWARD MARTIN,
JOHN J. WILLIAMS,

Managers on the Part of the Senate.

STATEMENT

The managers on the part of the House at the conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 7238) to amend the public assistance provisions of the Social Security Act so as to provide for a more effective distribution of Federal funds for medical and other remedial care submit the following statement in explanation of the effect of the action agreed upon by the conferees and recommended in the accompanying conference report:

Since the 1950 amendments to the Social Security Act, Federal financial participation in State expenditures for old-age assistance, aid to the blind, aid to dependent children, and aid to the permanently and totally disabled has been available with respect to unrestricted money payments made to needy recipients of assistance and with respect to payments made directly to suppliers of medical care (vendor payments) on behalf of such recipients. The Federal Government has not participated, however, in that part of the total assistance to an individual (including both the money payment to the individual and any medical care vendor payments made on his behalf for any month) which exceeded a specified maximum. Since October 1, 1956, under the provisions of the Social Security Amendments of 1956 (Public Law 880), this maximum has been \$60 in all of the programs except aid to dependent children (to which different amounts apply).

The 1956 amendments also included (effective July 1, 1957) provisions for the separate matching of vendor payments for medical care and excluded vendor payments for medical care from the formulas applicable with respect to unrestricted money payments made to needy recipients. Under these separate matching provisions the total amount of vendor payments for medical care in which the Federal Government will participate is \$6 times the number of adult recipients and \$3 times the number of child recipients. The Federal Government's share within these limits is one-half. Thus, under the 1956 amendments, no State could receive in Federal funds more than an average of \$3 per adult recipient and \$1.50 per child recipient with respect to its vendor medical care payments.

H. R. 7238, as it passed the House, in effect, provided the same matching formulas as those provided by the 1956 amendments, except that the matching formulas applicable to money payments applied both to unre-

stricted money payments to recipients and to expenditures for medical care on their behalf. In determining the amount of the Federal contribution (under the bill as it passed the House) for any assistance program, expenditures for medical care (including expenditures for insurance premiums for such care or the cost thereof) could be taken into account (at the option of the State) (1) under the matching formula applicable to both unrestricted cash payments and medical care, (2) under the medical care matching formula, or (3) partly under one such formula and partly under the other formula.

Under the Senate amendment to the text of the bill each State has the option of (1) continuing to receive its Federal matching of vendor payments for medical care on behalf of public assistance recipients under the law in effect prior to July 1, 1957 (within the individual maximums on the money payments to and vendor medical care payments on behalf of the individual) or (2) receiving its Federal matching with respect to these vendor payments under the separate matching provisions of the 1956 amendments (which became effective on July 1, 1957), but not both. This choice can be made once a year, or less frequently, as the State desires, and with respect to each of its public assistance programs for which there is Federal financial participation.

The Senate amendment also amended section 218 (p) of the Social Security Act which contains certain special provisions under which coverage under the old-age, survivors, and disability insurance program may be extended, pursuant to agreements between the States and the Department of Health, Education, and Welfare, to policemen and firemen. Those special provisions now apply to five States. The Senate amendment would have made the provisions applicable also to Alabama.

The conference agreement adopts the Senate amendment to the text of the bill (with respect to public assistance vendor medical care payments) but with an amendment deleting the provisions relating to the coverage of policemen and firemen under the old-age, survivors, and disability insurance program. There presently is pending before the Committee on Ways and Means legislation to add a number of named States to the list of States contained in section 218 (p) of the Social Security Act, and also legislation pending to make the provisions contained in such section available generally to all the States. In view of this, it was considered more appropriate to deal with this problem at one time rather than through the addition at this time of a single State. It is the present intention of the Committee on Ways and Means to consider this legislation in the very near future.

JERE COOPER,
W. D. MILLS,
NOBLE J. GREGORY,
DANIEL A. REED,
THOMAS A. JENKINS,

Managers on the Part of the House.

HELLS CANYON DAM

(Mrs. PFOST asked and was given permission to address the House for 1 minute and to revise and extend her remarks.)

Mrs. PFOST. Mr. Speaker, I rise to call the attention of the House to an editorial from the New York Times of Sunday, June 30, which clearly spells out the issues involved in the Hells Canyon controversy. It is most heartening to me that this influential eastern newspaper makes such a strong and clear case for the enactment of legislation to authorize the high dam. The editorial is entitled "Hells Canyon: Last Call." It states:

The 10-year fight for a high Federal multi-purpose dam at Hells Canyon on the Snake River is nearing its climax. Reversing its negative action of a year ago, the Senate has by a narrow margin now authorized Government construction of this project on the Idaho-Oregon border, and its proponents in the House are moving ahead rapidly to bring it to a vote there.

While the political aspects of the Hells Canyon battle are of great interest and played an important role in the strongly partisan Senate vote last week, this question ought to be decided on its merits, not on its politics. It involves several hundred millions of dollars in Federal expenditure as against considerably less in private funds. It involves a fully integrated Federal development of probably the finest dam site still available in the United States as against a private-power operation that almost certainly would produce fewer kilowatts at higher cost per kilowatt to the consumer. It involves the question of whether this major river resource should be retained in the hands of all the people, at the expense of all the people, or whether it should be turned over to private exploitation, at private cost and private profit. It also involves protection of incomparable scenic and natural-resource areas nearby that would be threatened by the need for finding additional water-storage sites unless the high Federal dam, with its greater scope and capacity, were erected.

We favor a Federal dam at Hells Canyon because on the evidence it appears to us that the Federal plan would be more comprehensive, would more fully take advantage of the potential resources in water and power, and would lead to maximum benefits to the public—first of all to the public of the Northwest but in the long run to the public of all America. The success of the earlier dams in the Columbia River Basin (of which the Snake forms a part) is too well known to repeat here; Hells Canyon would be the final large-scale member of this vital system. It is too valuable a resource to develop partially, inadequately, or haphazardly. That, in the long run, would be the most expensive kind of development for the public.

LEAD AND ZINC PRICES

(Mr. METCALF asked and was given permission to extend his remarks at this point in the RECORD.)

Mr. METCALF. Mr. Speaker, the price of zinc has fallen 3 cents a pound in the last 2 months. The continuous decline in lead and zinc prices has worsened the already desperate crisis confronting the lead and zinc and particularly the zinc producers of this country. The other day Anaconda's Darwin mine in California was closed down. Mr. Fred E. Tong, the manager of Darwin Mines, in a letter to his employees announcing the shutdown, cited the constant decline in lead and zinc prices as the primary factor in closing.

The closure of the Darwin mine in California was followed by the announcement of the American Smelting & Refining Co. that the Keystone mine at Crested Butte, Colo., was scheduled for shutdown. In addition it was also announced that plans were being made to close the Northport mine at Colville, Wash., and the Groundhog mine at Vanadium, N. Mex. Operation of the mill at Deming, N. Mex., where the Groundhog ores are processed, will also be suspended.

All over the West the story repeats itself. Mines and smelters are suspending

operation, because the present price of lead and zinc is considerably below the domestic costs of production. At the same time imports of zinc in ores and concentrates continue to rise. Congress must soon choose whether we are going to assist our domestic lead and zinc industry or whether we are going to depend entirely on foreign imports to the detriment of American producers and wage earners. The situation is so critical that much more inaction will result in total paralysis of our domestic industry, and it will be too late to save many producers.

THE DEPARTMENT OF DEFENSE

(Mr. BENNETT of Florida asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. BENNETT of Florida. Mr. Speaker, the Hoover Commission has made many excellent suggestions for making the Department of Defense more efficient and economical. I recently introduced a bill, H. R. 8091, to carry out some of these recommendations. In this I join others who have also introduced similar legislation in a joint cooperative effort.

My bill proposed reforms in the field of civilian-military relationships. This general problem will always confront the Department of Defense, because the Nation will never permit the Department to be completely military run, and military science makes complete civilian staffing impossible. At present two divergent personnel systems are operating together with no clear delineation of relative roles. One important result of the ineffective division of responsibility between military and civilian personnel is duplicate staffing, under which 2 individuals, 1 military, the other civilian, carry out the same responsibility. The Hoover Commission found duplicate military-civilian personnel in 16,000 defense-support assignments, representing an unnecessary payroll cost of \$110 million annually.

The best solution to the confusion, inefficiency, and waste resulting from dual staffing is for the Secretary of Defense clearly to delineate the jobs which should be filled by military officers from those which should be filled by civilians. H. R. 8091 authorizes and directs such delineation and specifies criteria upon which this delineation should be based. According to the criteria in the bill, civilians would be employed in positions which require skills which are usual to the civilian economy, in which continuity of management and experience can be more readily provided by civilians, and which do not require the exercise of military command over tactical forces. Military personnel would be given assignments in combat related support activities, and in organizations immediately in support of operational forces exposed to potential enemy action, and in supplier related support activities necessary for the training of officers for combat related support, and in those activities which are necessary to provide military experience to supplier related support.

Besides directing the delineation necessary for preventing wasteful dual

Digest of CONGRESSIONAL PROCEEDINGS

OF INTEREST TO THE DEPARTMENT OF AGRICULTURE

OFFICE OF BUDGET AND FINANCE
(For Department Staff Only)

Issued July 10, 1957
For actions of July 9, 1957
85th-1st, No. 119

CONTENTS

Agricultural appropriations.....1	Food distribution....7,29	Public Law 480.....2
Appropriations.....1,10	Forestry.....8	Purchasing.....31
Budget.....19,22	Housing.....16	Reclamation.....11
Conservation.....28	Humane slaughter.....4	Rural development.....21
Corn.....20	Lands.....6,17	Small business.....9,31
Disaster relief.....13	Livestock.....27	Stamp plan.....29
Eggs.....25	Loans.....15	Surplus commodities.....2
Electrification.....18	Minerals.....11	Tobacco.....24
Expenditures.....19	Mutual security.....5	Trade, foreign.....2
Farm program.....7,26	Personnel.....23,30	Transportation.....32
Federal-State relations.14	Poultry.....3	Wilderness.....12

HIGHLIGHTS: House agreed to conference reports on: Agricultural appropriation bill. Extension of Public Law 480. House passed compulsory poultry inspection bill. House committees reported humane slaughter bill, and mutual security authorization bill. Sen. Mundt urged united approach to solve farm problem.

HOUSE

1. AGRICULTURAL APPROPRIATION BILL FOR 1958. Agreed to the conference report on this bill, H.R. 7441. (pp. 10002-08) Agreed to the Senate amendment providing that provisions of the act of August 1, 1956, and provisions of a similar nature in appropriation acts of the State Department for the current and subsequent fiscal years which facilitate the work of the Foreign Service shall be applicable to funds available to the Foreign Agricultural Service. (pp. 10003-05) Agreed to a substitute amendment to limit payments to any one producer under the acreage reserve program to \$3,000 with respect to 1958 crops. (pp. 10005-08) See Digest 117 for other items of interest.
2. FOREIGN TRADE; SURPLUS DISPOSAL. Agreed to the conference report on S. 1314, to extend the Agricultural Trade Development and Assistance Act of 1954 (Public Law 480) for one year, to increase the authorization under Title I from \$3 billion to \$4 billion, and to authorize \$300 million addition under Title II for famine relief. (p. 10052) See Digest 117 for other provisions of the bill agreed to.
3. POULTRY INSPECTION. Passed 93 to 23, with amendments H.R. 6814, to provide for the compulsory inspection by this Department of poultry and poultry products. (pp. 10008-52)

Agreed to the following amendments:

By Rep. Watts, to strike out Sec. 11, on injunction proceedings, which vested in the U.S. district courts jurisdiction to enforce and to prevent violations under the bill. (p. 10047)

By Rep. Watts, to make mandatory, rather than permissive, certain exemptions from the provisions of the bill. (p. 10047)

By Rep. Watts, to exempt from the provisions of the bill poultry producers who sell poultry direct to restaurants, hotels and boarding houses for use in their own dining rooms in the preparation of meals for sales direct to consumers. (p. 10047)

By Rep. Hoffman, to provide that the bill shall not be construed as invalidating any provision of State law which could be valid in the absence of the bill, unless there is a direct and positive conflict between an express provision of the bill and such provision of State laws so that the two cannot be reconciled or consistently stand together. (p. 10050)

Rejected, 27 to 56, an amendment by Rep. Matthews, Fla., to prohibit Federal inspection in major poultry consuming areas unless specifically requested to do so by a State agency having responsibility for poultry inspection laws. (pp. 10047-50)

4. HUMANE SLAUGHTER. The Agriculture Committee reported with amendment H.R. 8308, to provide for the use of humane methods in the slaughter of livestock (H. Rept. 706). p. 10059

5. MUTUAL SECURITY. The Foreign Affairs Committee reported with amendment S. 2130, the mutual security authorization bill for 1958 (H. Rept. 776). p. 10059

6. PUBLIC LANDS. The Interior and Insular Affairs Committee reported with amendment H.R. 8054, to provide for the leasing of oil and gas deposits in lands beneath inland navigable waters in Alaska (H. Rept. 774). p. 10059

Received from Interior a proposed bill to amend the Alaska Public Works Act to "clarify the authority of the Secretary of the Interior to convey federally owned land utilized in the furnishing of public works"; to Interior and Insular Affairs Committee. p. 10059

SENATE

7. FARM PROGRAM. Sen. Mundt urged the farm organizations to unite in an approach towards solving the farm problem, and inserted an editorial, "Farm Meeting Step in Right Direction." pp. 9966-7

Sen. Humphrey inserted a policy resolution by the National Catholic Rural Life Conference urging wiser use of lands chosen for non-agricultural uses, a study of the food distribution system, and of new industrial uses for farm products. pp. 9960-1

8. FORESTS. The Interior and Insular Affairs Committee reported without amendment H.R. 7522, to extend for two years the timber removal rights of the McCloud Lumber Co. in Shasta National Forest (S. Rept. 598). p. 9962

9. SMALL BUSINESS. The Banking and Currency Committee reported an original bill, S. 2504, to extend the Small Business Administration for one year and increase its loan authorization an additional \$75 million (S. Rept. 597). Sen. Clark discussed the bill. pp. 9962, D627

Sen. Carroll inserted a newspaper article, "Small Business Study," on the importance of credit for small businesses. p. 9997

expresses complete faith in the ability, the courage, the determination, the good faith of our Secretary of Agriculture—qualities which have been sometimes questioned but are now acknowledged to be his. Permit me to congratulate you two gentlemen and others upon having at last realized the greatness, the patriotism, the sincerity, and the ability of our Secretary of Agriculture and have by this bill conferred upon him. More he cannot ask and I hope he will call it to your attention when hereafter you venture to make complaints which I doubt you logically can do after the grant of authority carried in this bill.

Mr. ELLIOTT. Mr. Chairman, I rise in support of H. R. 6814, which provides for the compulsory inspection by the United States Department of Agriculture of poultry and certain poultry products.

I have recognized for some time that the consuming public is entitled to have an inspected chicken or broiler; and to that end, early in this session, I introduced H. R. 5463. Naturally, I feel that my bill is, in some respects, superior to the bill presently before us; but, realizing that all legislation of this type is the result of compromise, I am willing to accept this bill, together with such beneficial amendments as it carries, with the hope that any last-minute improvements indicated as being absolutely necessary can be effected by the conference between the House and Senate on the legislation. The Senate has already passed a bill providing for compulsory inspection.

If you accept the proposition that the American housewife is entitled to have the assurances of her Government that the poultry she buys has been inspected by her Government, and found to be clean and wholesome, then this bill or some reasonable approximation to it should be enacted. If inspection is to be compulsory, then it naturally follows in my mind that the cost of the inspection should be borne by the United States Government.

This bill provides that inspectors will be appointed by the United States Secretary of Agriculture, and I feel that he is given rather broad powers in this regard. However, I recognize the fact, especially in the early years when we are getting started with this inspection, that there should be great flexibility insofar as qualifications of the inspectors are concerned.

I have been assured by the hearings on this legislation, and by the debate this afternoon, that there is absolutely no intent on the part of this bill, or of any of its sponsors, to work an undue hardship upon any portion of the poultry industry. I am particularly interested to see that the small processors, those fellows who dress and process relatively a small number of birds, are not so burdened by redtape and regulation and undue requirements that they cannot continue to operate. I have been assured in this debate that there will be enough inspectors furnished by the United States Department of Agriculture, so that every poultry processing plant, however small or however irregular it operates, as long

as it dresses or processes poultry for interstate commerce, will have the benefits of the poultry inspection service. This is as it should be. As a matter of fact, the bill provides a way whereby those processing plants that process for the intrastate trade; but are located in such a manner that their products constitute some burden to the interstate movement of poultry products, will have an opportunity, upon petition and hearing, to come within the purview of this law and be entitled to its inspection benefits, even though they process and dress poultry only for the intrastate demands.

There has been some suggestion in the debate here today that the passage of this bill will so slow down the operation of the processing plants as to cause the amount charged for dressed chicken to be unduly raised. However, I am informed by others, who have studied the matter, that perhaps most plants can be rearranged in such a manner that the slowdown caused by post mortem bird-by-bird inspection will not be too great. However that all may be, I feel, Mr. Chairman, the fact that the purchaser of chicken can be assured that his particular chicken was personally inspected, will be sufficient to increase the demand for poultry and poultry products sufficiently to overcome any deficiency occasioned by slowing down the lines in the processing plants. I am confident that eventually the matter can be worked out where there will be no real harmful effects.

Mr. Chairman, this bill should be passed. It is in the best interest of the consumer. It is, in the long run, in the best interest of the processor. It is in the best interest of the producer or grower of broilers.

Undoubtedly, inequities may appear as the operation of the bill gets underway, but I, for one, will be anxious to cooperate to iron out any inequities that may become apparent. I have the privilege of representing one of the largest poultry-producing areas of the country. The broiler and poultry industry is one of our large industries. There is being produced in the neighborhood of \$4 billion worth of poultry a year in the United States. Under such forward-looking legislation as this, I believe the industry will grow in capacity, in strength, and in quality.

The CHAIRMAN. Under the rule, the Committee rises.

Accordingly the Committee rose, and the Speaker having resumed the chair, Mr. O'BRIEN of New York, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee having had under consideration the bill (H. R. 6814) to provide for the compulsory inspection by the United States Department of Agriculture of poultry and poultry products, pursuant to House Resolution 304, he reported the bill back to the House with sundry amendments adopted by the Committee of the Whole.

The SPEAKER. Under the rule, the previous question is ordered.

Is a separate vote demanded on any amendment? If not, the Chair will put them en gross.

The amendments were agreed to.

The SPEAKER. The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed and read a third time, and was read the third time.

The SPEAKER. The question is on the passage of the bill.

The question was taken; and on a division (demanded by Mr. REECE of Tennessee), there were—ayes 93, noes 23.

So the bill was passed.

A motion to reconsider was laid on the table.

Mr. WATTS. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (S. 1747) an act to provide for the compulsory inspection by the United States Department of Agriculture of poultry and poultry products, strike out all after the enacting clause of the Senate bill, and insert the language of the bill H. R. 6814.

The Clerk read the title of the Senate bill.

The SPEAKER. Is there objection to the request of the gentleman from Kentucky [Mr. WATTS]?

Mr. REECE of Tennessee. Mr. Speaker, I object.

GENERAL LEAVE TO EXTEND REMARKS

Mr. WATTS. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on the bill just passed.

The SPEAKER. Is there objection?

There was no objection.

Mr. PORTER. Mr. Speaker, this House has before it today legislation which I consider vital to the health of this country. H. R. 6814 would provide for the compulsory inspection by the United States Department of Agriculture of poultry and poultry products. The poultry industry in the State of Oregon is important to Oregon economy. The industry is important in many other areas.

On June 27, I received a letter from Dr. Harold M. Erickson, health officer for my State. Dr. Erickson reminded me of Oregon's recent experience with the hazards to human health in the processing of diseased poultry. For this very reason, the State health authorities had significant cause the examine carefully the various bills introduced in the House of Representatives relative to poultry inspection. He said that the health authorities, after carefully reviewing them, recommend H. R. 6814. The health authorities of Oregon believe this bill offers the most protection to human health without sacrifice of practicability.

Dr. Erickson and his staff share my concern and belief that there is a real need for compulsory poultry inspection. Therefore, at this time, I want to strongly urge the passage of this proposed legislation. I want also to commend the members of the Committee on Agriculture for their investigation into this matter and for the subsequent legislation now under consideration. It is my understanding that without exception witnesses at the hearing held by the committee expressed themselves in favor of some type of compulsory poultry

try inspection. I think this is indicative of its need.

I have received a considerable amount of correspondence concerning this bill, and, unlike many issues, there has not been a single letter opposing its passage. I believe H. R. 6814 is legislation which will provide safeguards which long have been needed in the poultry industry.

EXTENSION OF AGRICULTURAL TRADE DEVELOPMENT AND ASSISTANCE ACT OF 1954

Mr. COOLEY. Mr. Speaker, I call up the conference report on the bill (S. 1314) to extend the Agricultural Trade Development and Assistance Act of 1954, and for other purposes, and I ask unanimous consent that the statement of the managers on the part of the House be read in lieu of the report.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from North Carolina [Mr. Cooley]?

There was no objection.

The Clerk read the statement.

(For conference report and statement, see proceedings of the House, July 5, 1957.)

The SPEAKER. The question is on the conference report.

The conference report was agreed to.

A motion to reconsider was laid on the table.

POLICIES WITH REGARD TO THE WATCH INDUSTRY

(Mr. MACHROWICZ asked and was given permission to extend his remarks at this point in the RECORD.)

Mr. MACHROWICZ. Mr. Speaker, within the past 10 days, I have returned from Geneva, Switzerland, where I served as an adviser to the United States delegation at the conference on the General Agreement on Tariffs and Trade. I returned home reassured that significant accomplishments are being made in efforts by the free nations of the world to eliminate quotas and to minimize other barriers to international commerce.

I want to say to my colleagues that I was very impressed by the manner in which the United States representatives discharged their responsibilities under situations which required the greatest delicacy and skill.

At the same time, I feel compelled to call the attention of the House to an incident which took place in Switzerland a short time before the GATT conference opened and which could have undermined the position of our representatives. The incident involves an official of the United States Department of Commerce who was visiting Switzerland and who requested a meeting with representatives of the Swiss watch industry.

At this meeting, I was reliably informed, the Commerce Department employee stated that he was an official representative of the United States Government. He then proceeded to disclose to the Swiss what he claimed will be the findings of the executive branch

with regard to petitions which have been filed by the domestic watch manufacturing industry for relief from import competition under section 7 of the Trade Agreements Act.

Specifically, this Commerce Department employee informed the Swiss that the United States Government would soon reaffirm the defense essentiality of the domestic watch manufacturers and would impose quotas on watch imports unless the Swiss "voluntarily" agree to introduce quotas on exports to the United States.

Mr. Speaker, I can think of no more improper way for an employee of the executive branch to perform on an overseas trip. First, this man posed as an official spokesman for the American Government. Then, he predicted actions by the administration long before any official decisions have been made. So far as I am aware, action on the watch petitions is still in a preliminary stage, and neither the ODM nor the White House has reached any conclusions. And finally, at the very time that our GATT representatives were preparing to leave for Geneva to work on a program aimed at reducing trade barriers, he was pleading for the imposition of a quota system on Swiss watch exports.

As many of my colleagues are aware, I have long maintained that the 50-percent increase in tariffs on imported watch movements, and other protectionist actions taken by the administration on behalf of the domestic watch manufacturers, were a serious mistake. It has been my belief that the so-called defense essentiality of the domestic watch manufacturers, which has been used to justify these trade barriers, is a myth—and it seems that the Defense Department shared this view at the time it filed a report with ODM recommending against Government assistance. This is the report, you will recall, which was prepared by the Defense Department in 1954, but was suppressed for many months in order to avoid embarrassment to the administration which had decided to yield to pressure—spearheaded by the Commerce Department—for a watch tariff increase.

Now it appears that the Commerce Department, or at least certain of its officials, is once again trying to take the lead in shaping policies at the Office of Defense Mobilization and the White House. Amazingly, these Commerce officials feel so confident that their protectionist views will prevail that they are informing the rest of the world in advance.

Mr. Speaker, I sincerely hope that these efforts by the Commerce Department to dictate the policies of the executive branch with regard to the watch industry will not succeed, and that ODM and the White House will, at long last, give this matter the objective study which it deserves. I am convinced that the President, who continually appeals to the Congress for enactment of liberal foreign-trade legislation, will recognize that actions speak louder than words, and that he cannot continue to allow the administrative departments and

agencies to undermine the policies which he so ardently espouses. I believe the President will want to put an immediate end to this kind of mischievous behavior by Commerce Department officials and will line up the executive branch solidly behind his program of a gradual reduction in trade restrictions, including those in the watch industry.

For this reason, I have written the President a letter outlining the serious impropriety which I have described and emphasizing the fundamental problem that an unwarranted action of this kind raises for our Nation. I am, indeed, looking forward to the days ahead, to see whether the administration again bows to protectionist influences within the Commerce Department or whether the President will make his views prevail within his own official family.

Mr. Speaker, I submit here the text of the letter I have written to President Eisenhower to be included as part of this statement. I sincerely hope that my colleagues in the Congress will find the opportunity to give it their careful consideration.

CONGRESS OF THE UNITED STATES,
HOUSE OF REPRESENTATIVES,
Washington, D. C., July 3, 1957.

Hon. DWIGHT D. EISENHOWER,
President of the United States,
The White House, Washington, D. C.

DEAR MR. PRESIDENT: I have just returned from GATT conferences at Geneva to which I was assigned by designation of Mr. SAM RAYBURN, Speaker of the House, and at the suggestion of our State Department to serve as an adviser to the United States delegation. I found there that the United States representatives were faced with many tasks requiring the greatest delicacy and skill in negotiation, and I came to believe that they were discharging their responsibilities efficiently and intelligently.

One of the greatest problems confronting them is that of continuing to persuade the countries with whom we trade to abstain from the abuse of quotas, import restrictions, and other negative devices. I believe that unless our negotiators can be continuously successful in this respect, the entire structure of GATT can be rapidly undermined and the consequences will be seriously injurious to the trading and export position of the United States.

Under these circumstances, I am sure that you are fully in agreement with my feeling that American negotiators at GATT must obtain the fullest cooperation of all departments of our Government; and furthermore that great care must be exercised so that no department of our Government will be guilty of acts—either deliberate or inadvertent—which can have the effect of undermining the authority of our GATT delegation, or of creating confusion and doubt regarding the basic trade policies of the United States among our many trading partners.

I therefore feel that it is my obligation and duty to report to you what I believe was a flagrant misuse of authority by an official of the Department of Commerce, who, I learned during my visit, had come to Switzerland immediately before the GATT conference and conferred with officials of the Swiss watch industry.

On the basis of the most reliable available reports of this official's meeting with Swiss industry members, I learned that he represented himself as speaking directly for the Government of the United States. He advised the Swiss industry officials that our Government would soon again reaffirm the

Digest of CONGRESSIONAL PROCEEDINGS

OF INTEREST TO THE DEPARTMENT OF AGRICULTURE

OFFICE OF BUDGET AND FINANCE
(For Department Staff Only)

Issued August 6, 1957
For actions of August 5, 1957
85th-1st, No. 139

CONTENTS

Acreage allotments.....27	Flood prevention.....28	Personnel.....6,29,36
Administrative orders....35	Food.....32	Printing.....43
Appropriations.....54	Foreign affairs.....23	Public Law 480.....1
Atomic energy.....42	Foreign aid.....47	Reclamation.....15,39
Audit.....43	Forestry.....14,28	Recreation.....8
Budget.....40,49	Grain standards.....5	Research.....21,22
Buildings.....19	Housing.....12	Rice.....22
Casein.....41	Imports.....51	Roads.....24
Census.....18	Inflation.....53	Safety.....10
Cooperatives.....42	Insect control.....4	Supergrades.....6
Cotton.....28	Inspection service.....6	Surplus commodities.....1
County committees.....28	Lands.....21,34	Tobacco.....45
Dairy products.....3	Livestock.....48,52	Trade, foreign.....1
Electrification....25,42,50	Marketing quotas.....2	Transportation.....9,37
Farm prices.....44,52	Minerals.....17	TVA.....13
Farm program.....32	Natural resources.....30	Veterans' benefits.....36
Feed grains.....20	Newsprint.....7	Water.....11,38
Fiber.....31	Oleomargarine.....33	Watersheds.....28
Fiscal policy.....26	Pay raise.....6	Weather.....16
Fish.....22	Peanuts.....2	Wheat.....46

HIGHLIGHTS: (See Page 7.)

SENATE

SURPLUS COMMODITIES; FOREIGN TRADE. Agreed to the conference report on S. 1314, to extend the Agricultural Trade Development and Assistance Act of 1954 (Public Law 480) for one year, to increase the authorization under Title I from \$3 billion to \$4 billion, to authorize \$300 million additional under Title II for famine relief, to permit barter transactions with, and Sec. 416 donations to, Iron Curtain countries, except Russia and Communist China, and to permit up to 25% of foreign currencies received to be loaned for market development work. pp. 12347, 12348-55. See Digest 117 for other provisions of the bill agreed to. This bill will now be sent to the President.

- PEANUTS.** Passed without amendment H.R. 6570, to exempt green peanuts from marketing quotas. p. 12345. This bill will now be sent to the President.
- DAIRY PRODUCTS.** Passed with amendments S. 1696, to provide for furnishing the Coast Guard and the U.S. Merchant Marine Academy with surplus dairy products. Agreed to an amendment by Sen. Magnuson to extend the bill to the entire Coast Guard instead of to the Coast Guard Academy. pp. 12342-3
- INSECT CONTROL.** Passed as reported S. 1805, to relieve certain persons of expense for khapra beetle eradication. pp. 12343-4

5. GRAIN STANDARDS. Passed as reported S. 2007, to permit charges for grain standards inspection appeals including overtime expenses. pp. 12344-5
6. PERSONNEL. Received from the Budget Bureau a proposed bill to provide a uniform pay system for Federal employees engaged in inspection service, to authorize a uniform system of fees and charges for such services; to the Post Office and Civil Service Committee. Insofar as USDA personnel is concerned, the proposal relates only to ARS. p. 12299
Received from the Civil Service Commission a proposed bill to amend the Classification Act of 1949 to facilitate proper classification of supergrade positions; to the Post Office and Civil Service Committee. p. 12299
Sen. Yarborough urged passage of the postal pay raise bill and urged that the President sign it if passed. pp. 12307-8
At the request of Sen. Barrett, passed over S. 25, to make the effective date of compensation changes of wage board employees retroactive to 30 days after the initial survey began. p. 12310
Passed without amendment S. 1901, to require overtime pay only for irregularly scheduled hours above the regular weekly tour of duty. p. 12323
At the request of Sen. Purtell passed over S. 734, to revise the compensation schedules of the Classification Act of 1949. p. 12330
7. NEWSPRINT. At the request of Sen. Clark, passed over S. Con. Res. 20, to authorize the FTC to investigate newsprint producers and distributors. p. 12310
8. RECREATION. At the request of Sen. Clark, passed over S. 1164, to make the evaluation of recreational benefits part of the planning for any water resources project. p. 12310
9. TRANSPORTATION. At the request of Sen. Barrett, passed over S. 377, to make final certain contracts between the Government and common carriers. p. 12310
10. SAFETY. At the request of Sen. Barrett, passed over S. 931, to reorganize the safety functions of the Government. p. 12310
11. WATER RESOURCES. At the request of Sen. Hruska, passed over S. Con. Res. 28, to print a compilation of materials relating to the development of water resources in the Columbia River Basin. p. 12310
Sen. Johnson urged a program to develop an integrated Federal water program for Texas, and inserted letters from the Bureau of Reclamation and the Corps of Engineers pledging their cooperation. pp. 12297-9
12. HOUSING. At the request of Sen. Clark, passed over H.R. 4602, to encourage veterans' residential construction in rural areas by raising the maximum limits for direct loans. p. 12310
13. T. V. A. At the request of Sen. Clark passed over S. 1869, to amend the TVA Act to authorize the sale of bonds for expansion of TVA power plants. p. 12311
14. FORESTRY. Passed without amendment H.R. 7522, to authorize the Secretary of the Interior to extend for two years the lumbering rights of the McCloud Lumber Co. in the Shasta National Forest. p. 12313. This bill will now be sent to the President.
15. RECLAMATION. At the request of Sen. Clark, passed over S. 2120, to authorize construction of the Mercedes Division, lower Rio Grande rehabilitation project. p. 12313

of Representatives to the bill (S. 525) for the relief of Rhoda Elizabeth Graubart, which was, in line 7, after "fee" insert ", and upon compliance with such conditions and controls which the Attorney General, after consultation with the Surgeon General of the United States Public Health Service, Department of Health, Education, and Welfare, may deem necessary to impose: *Provided*, That, unless the beneficiary is entitled to medical care under the Dependents' Medical Care Act (70 Stat. 250), a suitable and proper bond or undertaking, approved by the Attorney General, be deposited as prescribed by section 213 of the Immigration and Nationality Act."

Mr. EASTLAND. Mr. President, I move that the Senate concur in the House amendment.

The motion was agreed to.

ISABELLA ABRAHAMS

The PRESIDING OFFICER laid before the Senate the amendment of the House of Representatives to the bill (S. 650) for the relief of Isabella Abrahams, which was to strike out all after the enacting clause and insert:

That the Attorney General is authorized and directed to cancel any outstanding order and warrant of deportation, warrant of arrest, and bonds, which may have issued in the case of Isabella Abrahams. From and after the date of the enactment of this act, the said Isabella Abrahams shall not again be subject to deportation by reason of the same facts upon which such deportation proceedings were commenced or any such warrants and orders have issued.

Mr. EASTLAND. Mr. President, I move that the Senate concur in the House amendment.

The motion was agreed to.

KARL EIGIL ENGEDAL HANSEN ET AL.

The PRESIDING OFFICER laid before the Senate the amendments of the House of Representatives to the bill (S. 701) for the relief of Karl Eigil Engedal Hansen and his wife, Else Viola Agnethe Hansen, and their minor child, Jessie Engedal Hansen, which were, to strike out all after the enacting clause and insert:

That, notwithstanding the provision of section 212 (a) (9) of the Immigration and Nationality Act, Karl Eigil Engedal Hansen may be issued a visa and admitted to the United States for permanent residence if he is found to be otherwise admissible under the provisions of that act: *Provided*, That this exemption shall apply only to grounds for exclusion of which the Department of State and the Department of Justice had knowledge prior to the enactment of this act.

And to amend the title so as to read: "An act for the relief of Karl Eigil Engedal Hansen."

Mr. EASTLAND. Mr. President, I move that the Senate concur in the House amendments.

The motion was agreed to.

GUILLERMO B. RIGONAN

The PRESIDING OFFICER laid before the Senate the amendment of the House

of Representatives to the bill (S. 827) for the relief of Guillermo B. Rigonan, which was, in line 7, to strike out all after "fee." down through line 12.

Mr. EASTLAND. Mr. President, I move that the Senate concur in the House amendment.

The motion was agreed to.

VIDA LETITIA BAKER

The PRESIDING OFFICER laid before the Senate the amendment of the House of Representatives to the bill (S. 833) for the relief of Vida Letitia Baker, which was, to strike out all after the enacting clause and insert:

That the Attorney General is authorized and directed to cancel any outstanding order and warrant of deportation, warrant of arrest, and bonds, which may have issued in the case of Vida Letitia Baker. From and after the date of the enactment of this act, the said Vida Letitia Baker shall not again be subject to deportation by reason of the same facts upon which such deportation proceedings were commenced or any such warrants and orders have issued.

Mr. EASTLAND. Mr. President, I move that the Senate concur in the House amendment.

The motion was agreed to.

CORNELIS VANDER HOEK

The PRESIDING OFFICER laid before the Senate the amendment of the House of Representatives to the bill (S. 874) for the relief of Cornelis Vander Hoek, which was, to strike out all after the enacting clause and insert:

That the Attorney General is authorized and directed to cancel any outstanding order and warrant of deportation, warrant of arrest, and bonds, which may have issued in the case of Cornelis Vander Hoek. From and after the date of the enactment of this act, the said Cornelis Vander Hoek shall not again be subject to deportation by reason of the same facts upon which such deportation proceedings were commenced or any such warrants and orders have issued.

Mr. EASTLAND. Mr. President, I move that the Senate concur in the House amendment.

The motion was agreed to.

SATOE YAMAKAGE LANGLEY

The PRESIDING OFFICER laid before the Senate the amendments of the House of Representatives to the bill (S. 988) for the relief of Satoe Yamakage Langley, which were, in line 3, to strike out "paragraph" and insert "paragraphs (9) and"; in line 5, after "be" to insert "issued a visa and", and in line 9, to strike out "paragraph" and to insert "paragraphs."

Mr. EASTLAND. Mr. President, I move that the Senate concur in the House amendments.

The motion was agreed to.

MATSUE HARADA

The PRESIDING OFFICER laid before the Senate the amendment of the House of Representatives to the bill (S. 1112) for the relief of Matsue Harada, which

was, to strike out all after the enacting clause and insert:

That the Attorney General is authorized and directed to cancel any outstanding order and warrant of deportation, warrant of arrest, and bonds, which may have issued in the case of Matsue Harada. From and after the date of the enactment of this act, the said Matsue Harada shall not again be subject to deportation by reason of the same facts upon which such deportation proceedings were commenced or any such warrants and orders have issued.

Mr. EASTLAND. Mr. President, I move that the Senate concur in the House amendment.

The motion was agreed to.

HARRY SIEGBERT SCHMIDT

The PRESIDING OFFICER laid before the Senate the amendments of the House of Representatives to the bill (S. 1171) for the relief of Harry Siegbert Schmidt, which were, in line 3, strike out "provision" and insert "provisions"; in line 3, after "(1)" insert "and (4)"; in line 8, strike out "this exemption" and insert "these exemptions", and in line 8, strike out "a ground" and insert "grounds".

Mr. EASTLAND. Mr. President, I move that the Senate concur in the House amendments.

The motion was agreed to.

FLORINDA MELLONE GARCIA

The PRESIDING OFFICER laid before the Senate the amendments of the House of Representatives to the bill (S. 1251) for the relief of Florinda Mellone Garcia, which were, in line 3, to strike out "paragraph" and to insert "paragraphs (9) and", and in line 9, to strike out "paragraph" and to insert "paragraphs."

Mr. EASTLAND. Mr. President, I move that the Senate concur in the House amendments.

The motion was agreed to.

The STENNIS. Mr. President, so far as the acting majority leader is advised, that completes the call of the calendar. I am advised that the pending order of business is the conference report on Public Law 480.

AGRICULTURAL TRADE DEVELOPMENT AND ASSISTANCE ACT OF 1954—CONFERENCE REPORT

The Senate resumed the consideration of the report of the committee of conference on the disagreeing votes of the two Houses on the amendment of the House to the bill (S. 1314) to extend the Agricultural Trade Development and Assistance Act of 1954, and for other purposes. The PRESIDING OFFICER. The question is on agreeing to the conference report.

Mr. ELLENDER obtained the floor.

Mr. CASE of South Dakota. Mr. President, will the Senator yield?

Mr. ELLENDER. I yield to the Senator from South Dakota.

TVA AND NIAGARA POWER BILLS

Mr. CASE of South Dakota. I desire to address an inquiry to the acting ma-

jority leader. I should like to know whether he can advise the Members of the Senate the plans for considering the so-called Tennessee Valley Authority and the Niagara power bills. Have they been indicated for scheduling?

Mr. STENNIS. The acting majority leader is advised that there will be a conference with the policy committee by the majority leader regarding those bills during the continuation of debate on the civil-rights bill, and we expect to have an announcement soon, certainly before that bill is disposed of.

Mr. CASE of South Dakota. Mr. President, I think it is generally desirable that both of those bills receive consideration before the Congress adjourns, or completes its work. It is also desirable that Members of the Senate have as much advance notice as possible with respect to both bills.

Mr. STENNIS. Mr. President, I heartily agree with the Senator in his expression of a desire that the bills referred to be considered. I believe there will be a forthcoming announcement.

Mr. KEFAUVER. Mr. President, will the Senator yield?

Mr. STENNIS. I yield.

Mr. KEFAUVER. I join in the sentiments expressed by the distinguished Senator from South Dakota relative particularly to the urgency of action on the TVA bill. As the acting majority leader knows, we shall be presented with a very desperate situation in the Tennessee Valley for electricity unless some action can be taken during this Congress.

It is my understanding that the tentative plan was, when the civil rights bill was out of the way, to bring up the Niagara and Tennessee Valley Authority bills.

Mr. STENNIS. As the acting majority leader recalls, the Niagara bill was pending, and was superseded by the civil rights bill. I agree with the Senator that the bills referred to should be considered.

EXTENSION OF AGRICULTURAL TRADE DEVELOPMENT AND ASSISTANCE ACT OF 1954—CONFERENCE REPORT

The Senate resumed the consideration of the report of the committee of conference on the disagreeing votes of the two Houses on the amendment of the House to the bill (S. 1314) to extend the Agricultural Trade Development and Assistance Act of 1954, and for other purposes.

Mr. ELLENDER. Mr. President, at the outset I wish to state that the conferees on Senate bill 1314, extending Public Law 480, were unanimous in the agreement which was reached.

The bill as it comes from the conference does not differ in substance from the Senate bill, with the exception of two amendments, one proposed by Representative COOLEY and the other by Representative WHITTEN.

As we all know, the purpose of the Senate in providing for the repeal of section 304 of Public Law 480 was to provide authority for barter transaction with, and section 416 donations to, European satellites of the Soviet Union on a selective basis. The House felt that

it was best to spell out the countries with whom such barter and donation arrangements could be made. This was done by excluding from such arrangements only the U. S. S. R. and the satellites connected with Red China.

The so-called Cooley amendment, which was agreed to by the conferees after some modification, provides that a certain percentage, not in excess of 25 percent, of the funds obtained shall be used for loans to American firms for business development and trade expansion and to American and foreign firms for purposes related to the development of markets for United States agricultural products. One of the modifications made in this proposal by the conferees provides assurance that none of these funds should be used for the production of commodities to be marketed in competition with agricultural commodities produced in the United States or products thereof.

The so-called Whitten amendment merely provides that reports on these sales shall be made to the Congress within 60 days after each agreement is made.

That is about the sum and substance of the conference report. I ask unanimous consent to have printed in the RECORD at this point a part of my remarks a further explanation of the conference report in detail, with particular reference to the amendments which we eliminated, and those which were incorporated with conference substitute.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

EXPLANATION OF THE CONFERENCE REPORT ON S. 1314

The provisions of the Senate bill extending titles I and II of Public Law 480 to June 30, 1958, increasing the amount authorized for title I by \$1 billion, and increasing the amount authorized for title II by \$300 million, were also contained in the House amendment and were, therefore, not in conference. The only provision of the Senate bill which was not also contained in the House amendment was the provision repealing section 304 of Public Law 480; and the conference substitute contains a provision amending section 304 to accomplish the substance of the Senate provision. The so-called Rooney and Smith amendments contained in the House amendment have been omitted from the conference substitute. The so-called Cooley (or Humphrey) and Whitten amendments are included in the conference substitute, the former with some modification.

DIFFERENCES BETWEEN S. 1314, AS PASSED BY THE SENATE, AND THE CONFERENCE SUBSTITUTE THEREFOR

The conference substitute differs from S. 1314, as passed by the Senate, in the following respects:

First, the Senate bill would have repealed section 304 of Public Law 480. The purpose of such repeal was to permit barter transactions with Iron Curtain countries and donations to such countries under section 416 of the Agricultural Act of 1949. The Department of Agriculture, in recommending such repeal, advanced as the reason for repeal that it would make barter transactions with European satellites possible. The conference substitute, in lieu of repealing section 304, amends it to permit barter transactions with, and section 416 donations to, Iron Curtain countries, except Russia and areas controlled by the Communist regime in China. It

therefore carried out the purpose of the Senate bill and permits the transactions which it was contemplated might be made under the Senate bill.

Second, the conference substitute amends section 104 (e) of Public Law 480 to encourage the use of foreign currencies generated under title I of Public Law 480 for loans to United States firms for business development and trade expansion and for loans to either United States or foreign firms for the establishment of facilities designed to increase the market for United States agricultural products. The provision includes safeguards against loans which would create competition with United States commodities and products. All loans under this provision would have to be agreeable to the country with which the agreement is made. This provision of the conference substitute represents a slight modification of the so-called Cooley (or Humphrey) amendment. The modifications accomplished two purposes. They enlarge the provision to provide for loans to foreign firms for the establishment of facilities to increase markets for United States agricultural products; and they prohibit loans being made under this provision for the production of any commodity to be marketed in competition with United States agricultural commodities or their products.

Third, the conference substitute includes the so-called Whitten amendment which provides for reports to Congress within 60 days after each agreement is entered into.

PROVISIONS OF THE HOUSE AMENDMENT OMITTED FROM THE CONFERENCE SUBSTITUTE

Two provisions contained in the House amendment to S. 1314 are not included in the conference substitute.

One of these, the so-called Rooney amendment, would have prevented the use of foreign currencies generated under title I of Public Law 480 for educational exchange activities and the translation, publication and distribution of books and periodicals, unless such use was authorized by appropriation act. At the time that the agreement for the sale of the surplus agricultural commodities is made neither the United States nor the foreign country can know what action may subsequently be taken by Congress with respect to the appropriation of funds. This provision would, therefore, have made it impossible for the United States to make a firm commitment with respect to the use of the foreign currencies to be generated by the agreement and, to that extent, would have hampered the making of the agreement. Congress, in subsequently appropriating funds for these activities, is fully advised of the amount of foreign currencies generated under title I which are committed to such purposes and is able to limit the appropriation of additional funds from the Treasury accordingly.

The other provision of the House amendment, which has been omitted from the conference substitute, is the so-called Smith amendment, which would have provided for the donation of surplus food commodities to additional penal and correctional institutions. The Department of Agriculture has advised that present outlets for surplus foods are adequate to absorb remaining stocks in Government hands, as well as stocks which may reasonably be anticipated in the future.

Mr. CASE of South Dakota. Mr. President, did I correctly understand the chairman of the Senate conferees to state that the conference report was agreed to unanimously?

Mr. ELLENDER. The Senator is correct.

Mr. CASE of South Dakota. Does that apply to all the conferees on the minority side, in both the House and the Senate?

Mr. ELLENDER. The Senator is correct.

Mr. COOPER. Mr. President, I wish to congratulate the distinguished Senator from Louisiana for his leadership, both in the Senate and in the conference committee, in bringing before the Senate this conference report. I know it will be agreed to unanimously, and I do not wish to delay its consideration for any length of time. But I should like to make a few remarks on the Public Law 480 program. To my mind it comes close to achieving the position of being the ideal foreign-aid program. I am glad that I had the opportunity in 1954 to vote for the establishment of the program. I remember the leadership which the distinguished Senator from Louisiana [Mr. ELLENDER], the Senator from Mississippi [Mr. STENNIS], and the Senator from Arkansas [Mr. McCLELLAN] on the minority side at that time, as well as the Senator from Vermont [Mr. AIKEN], the Senator from South Dakota [Mr. CASE], his colleague [Mr. MUNDT], the Senator from North Dakota [Mr. YOUNG], the Senator from Minnesota [Mr. THYE], and others on this side afforded in establishing that program. And I remember, of course, the great interest which the Senator from Minnesota [Mr. HUMPHREY] has taken.

One reason I wish to make a few remarks today is that, in addition to having the opportunity to vote for the establishment of the program, I had the opportunity later, when I was serving as a representative of the United States in India, to assist in the negotiation of a Public Law 480 agreement with that country, and to observe something of its operation. That is the reason I wished to say today that I believe it comes very close to achieving the position of an ideal foreign-aid program.

While I was in India I saw the conditions in that country which made this agreement so very valuable, and I watched some of the results accomplished with the assistance of this program. I believe that the circumstances which made it important in that country, and the results which I saw, are typical of the situation in other countries.

I believe that several aspects of the Public Law 480 program deserve greater emphasis than they may have received.

When the United States sells its surplus agricultural products to foreign countries in return for local currencies we are doing more than supplying the fundamental requirements for human existence—that is, food and clothing—as important as this alone would be; we are also contributing to the industrial development of countries struggling to secure economic independence and a higher standard of living for their people.

First, however, we should not underestimate the crucial importance of food to countries which have seldom had enough to feed their people. In the newly independent countries of the world. Governments are faced with sharp and insistent demands by their people for more food and clothing—simple things, which we take for granted—

the first demands which the achievement of political freedom has permitted them to voice. If the democratic governments of these countries cannot meet this first and basic need, their people will question democratic methods and may in time look for other systems of government.

By supplying large quantities of food and fiber, the United States can help fill the inevitable gap in domestic supplies of countries only recently embarked on intensive agricultural development programs—a gap which will continue until their new agricultural programs bear fruit.

The collateral effects of supplying food, I think, are very important and less widely appreciated.

First, countries buying our surplus commodities for local currencies are provided with a new source of revenue for local economic development purposes. As the Senate knows, one of the major handicaps of underdeveloped countries is the lack of available capital. Taxes, savings, and deficit financing have often been insufficient to provide necessary amounts of local currencies. Under Public Law 480, however, the local currencies paid for American agricultural products become a new fund for local economic development. This is money—paid by the people of their food supplies—which would otherwise be unavailable for investment purposes. But by lending this money to governments, the United States creates new sources of local investment capital.

Second, our sales of surpluses under the Public Law 480 program acts as a strong check on the inflationary forces of countries expanding their industrial economies. A common cause of inflation in these countries is the inability of agricultural production to keep up with the increased purchasing power created by industrial development, however meager the advance in purchasing power may be. For instance, an annual increase of \$2 to \$5 per person in income will ordinarily go toward the purchase of food and clothing, since the first demand of the people is for these necessities of life. But this slightly increased income may be more than consumed by the artificially higher prices paid for the short supplies of food and clothing.

Our Public Law 480 programs, by making available supplementary supplies of food and fiber, help supply the increased demand and in effect, balance the supply-demand equation. Public Law 480 is, therefore, a valuable instrument in the fight against inflation—which is one of the most destructive forces at work in newly developing economies.

Third, countries buying our food under Public Law 480 save, to that extent, the drain on their scarce supplies of foreign currencies. This foreign exchange can be saved, instead, to purchase the capital goods, machinery, and other supplies on which their industrial development depends, and which can be obtained in no other way.

Progress is made, therefore, by permitting countries to use their foreign exchange as much as possible for wealth-producing facilities instead of the necessary, but non-wealth-generating, supplies of food.

This program is also of great psychological importance to the people of the recipient countries. It provides a means—through the purchase of food for which payment is made to the treasury of the country—whereby a whole nation, all the people, contribute directly to the development efforts of their government. The money they spend for food thus, in turn, helps to stimulate greater agricultural and industrial production to advance further their own and their countrymen's standard of living.

As I have indicated, however, there are benefits under this program for us as well as for the countries receiving our agricultural surpluses.

The first and most obvious benefit is the reduction in stocks of agricultural surpluses each time we sell them abroad. We have learned that surpluses depress prices which our farmers receive, and they require vast and expensive storage facilities. Public Law 480 helps relieve both burdens.

The degree of this relief is indicated by the latest figures showing the approximate quantities of agricultural commodities involved in agreements signed from the beginning of the program through June 30, 1957:

Wheat and flour, 453,951,000 bushels.
Feed grains, 75,048,000 bushels.
Rice, 22,733,000 hundredweight.
Cotton, 2,682,400 bales.
Tobacco, 160,426,000 pounds.
Dairy products, 116,438,000 pounds.
Fats and oils, 1,774,617,000 pounds.
Poultry, 3 million pounds.
Dry edible beans, 44,000 hundredweight.
Fruits and vegetables, 123,932,000 pounds.
Meat, 156,125,000 pounds.
Hay and pasture seeds, 55,000 hundredweight.

Mr. President, I am sure the Senate will agree that it is much more profitable to sell these crops for local currencies under Public Law 480 than to be forced again to further restrict our agricultural production or to pay our farmers for not producing the food which the rest of the world needs so desperately.

Other benefits are important, too: for instance, the development of overseas markets for American producers—markets with great potential for the future, which can be started now with the experience of this program; the payment of United States obligations in foreign countries; and the procurement of strategic materials.

But the most underrated or overlooked effects of our Public Law 480 programs—in terms of United States interests—are in the field of foreign policy. I would especially emphasize two of them.

The first is the fact that the United States, alone among the nations of the world, can afford to export large quantities of food on terms which the poorest countries can afford, and that fact is of revolutionary importance.

It gains significance if we contrast our own foreign-aid activities with those of Soviet Russia. Russia can and does make loans to underdeveloped countries on easy terms; supplies a certain amount

of capital goods for development purposes; and trains personnel in technological processes. I interject to say that Russia makes loans on easier terms than does the United States, and that Russia is training many more people from underdeveloped countries in technology than is the United States.

The United States can do and has done all of these things.

But, in addition, we can do something Russia cannot do. We can help supply the most basic need of all peoples—food. And we can do so without prejudicing the independence or integrity of the countries accepting our food.

One of the principal objectives of United States foreign policy is the maintenance by democratic countries throughout the world of their sovereignty and independence. Most of the newly independent countries have chosen freely to adopt the institutions and the system of democratic government. But it will be difficult for their governments to hold the support of their people for this unfamiliar system unless they can succeed in securing a minimum economic stability and in advancing the living standards of the people.

And food is the first requirement.

It would not be out of place here to remind ourselves that our people and our Nation—which have been blessed with a great abundance of food and other material necessities—have some spiritual and moral obligation to make available at least a share of our riches to those who need and who struggle for advancement.

Our Public Law 480 programs represent a part of this obligation, and one opportunity for making a great contribution to the peace and well-being of the world.

I hope this important program can be expanded and developed to make even greater contributions in the future. We are in the unique position of being able to do something no other country can do, and of being able to say to the peoples of the world struggling for their material and spiritual needs: "There can be both food and freedom."

Mr. CASE of South Dakota. Mr. President, will the Senator yield?

Mr. COOPER. I yield.

Mr. CASE of South Dakota. Mr. President, I wish to commend the distinguished Senator from Kentucky, who speaks with authority from personal experience on the utilization of our surplus foods under the so-called Public Law 480 program.

As the Senator from Kentucky knows, the idea of selling our surplus food for foreign currency had its origin very humbly in a suggestion which was brought to the attention of the Committee on Armed Services, of which he was a member, when General Van Fleet returned from Korea and told us about the situation there.

It has had two expressions. The first bill I introduced was devoted solely to Korea, and it had the twofold purpose the Senator has mentioned; first, as a contribution to the solution of our surplus food program, and second, on the constructive side to which the Senator

has devoted his address, namely, the utilization of the food for the benefit of the people of foreign countries in exchange for their currencies. It occurs to me it would be appropriate for Congress to set up a special committee or commission to consider the resources which have been established, both by way of counterpart funds under the foreign aid program and in the form of foreign currencies which have been generated by the sale of surplus commodities; and to determine how they have been applied up to the present time, and the purposes to which they might be applied.

As the distinguished Senator from Mississippi [Mr. STENNIS] knows, a special application of this idea was made in the military construction bill in 1953 and 1954, so as to make surplus commodities available for the acquirement of credits in foreign countries, credits which could be used for the procurement of military housing for our military personnel overseas. That program subsequently was expanded to make the foreign credits so generated available for other military procurement. But that is a specialized field.

The utilization of such credits for scholarship purposes, for the exchange of students, for the acquisition of strategic materials, for the payment of embassy expenses, for the establishment of loan funds for the development of some underprivileged countries—all of these are purposes for which credits, which I suppose now amount to about \$3 billion, could be well surveyed, to see whether we are making the best use of the foreign credits.

I think the Senator from Kentucky has performed a special service this afternoon in drawing attention to the constructive aspects of the use of our surplus foods for these purposes.

Mr. COOPER. I thank the Senator from South Dakota. I remember his interest at the time of the initiation of the program.

I wanted to speak of it briefly today, because, as I said, I had an opportunity to see the program in operation. I think of its many aspects of value to the countries to which we send food. I think of its aspects of value to our own country. I have come to the conclusion that in many respects it is our best balanced program of aid.

Although many persons decry, or express concern about, the surpluses which the farmers produce in the United States, I think we are very fortunate to have such surpluses at this time, when so much is at stake in many other countries, especially as concerns their need for food.

I point out, without repeating in detail what I said in my brief remarks, that this program has many values and I think it must be seen in operation in order to be appreciated. I am glad I had the opportunity to see the workings of this great program which Congress, including many Senators who are on the floor today, helped to initiate.

Mr. JAVITS. Mr. President, will the Senator yield?

Mr. COOPER. I yield.

Mr. JAVITS. I have seen the results of the work of the Senator from Kentucky in India, having been there myself not too many months ago. I think the Senator from Kentucky made one of the most outstanding contributions ever made by an American serving abroad.

The Senator from Kentucky succeeded Mr. Chester Bowles, who was a very popular Ambassador. It was expected by some persons that when the Senator from Kentucky went to India as Ambassador he would suffer by comparison; it was hard to understand how he could prosper under it.

Yet I found when I was in India that, in his own way, the Senator from Kentucky was the equal of Mr. Bowles, in the eyes of many persons, and had done better in some ways, although I do not in any way wish to deprecate the great services rendered by Ambassador Bowles.

The Senator from Kentucky made a remarkable record, and he made it because he understood exactly subjects like the one to which he has addressed himself.

When I was a Member of the House I sponsored the grain bill for India and the grain bill for Pakistan. I found when I was in India some 5 or 6 months ago with my wife that the heritage of gratification and satisfaction which those two enactments had left was tremendous.

I also found—and I think this is something which we in Congress must understand—that the classic Communist approach is to starve people in order to build industry. That is the way in which the Communists have been successful in many areas, including Communist China, and also in the Soviet Union itself.

If we want to do a better job of raising living standards, we must find a way in which to prevent the starving or dragging of people while they build their industry, in the way in which they have been treated in the Communist countries, and as they are being treated now in Communist China, where tens of thousands of executions have taken place in order to repress anyone who might think he would like to eat a few morsels, instead of having industry build up quite so fast.

We have in the surpluses of American agriculture, one of the greatest means of assisting humanity in other lands. If we use them well, we will bear out what has been said on the floor concerning how the need for food and other resources can be of great value to America in the struggle abroad.

I am grateful to the Senator from Kentucky, in addition to the outstanding work which he did in India, for his participation in and understanding of American foreign policy, which he has shown in his address. I can only hope that by legislative action and by action in the Department of State, through the President of the United States, we can show a similar understanding of the world mission which this bill and the policy which it carries out will enable us better to perform.

Mr. COOPER. I thank the Senator from New York for his remarks. So far as my services are concerned, I was very fortunate to follow such men as Mr.

Bowles, Mr. George Allen, Mr. Loy Henderson, Mr. Grady, and others. I did not mean to call attention to that. I simply wanted to focus attention on the great opportunity we have to help countries in the great field of supplying food and fiber and lending them the means for economic development.

Mr. STENNIS. Mr. President, I first wish to commend the senior Senator from Louisiana [Mr. ELLENDER] for his fine work not only on the bill and the conference report, but also for his efforts throughout the years on this subject. It is all characteristic of the splendid work he does in the Senate and of the great contribution he makes—and very modestly makes, because his real achievements are buried in the books. But it is a long, fine story when it is all brought out and made public.

I was very much impressed with the comments of the Senator from Kentucky, especially with his emphasis upon this program and its possibilities. I think it is of particular value to the Senate and to the country to have his testimony and his verdict upon this timely subject, because he speaks from experience—an experience gained not only in this Chamber, but also as an ambassador having knowledge of world conditions. I appreciate greatly his leadership and his pointing out the very excellent possibilities of this program.

The distinguished Senator from South Dakota [Mr. CASE] pioneered some of this legislation, which is now more or less permanent, when he was the chairman of the Subcommittee on Military Construction of the Committee on Armed Services. That program was initiated as a real infant and has grown, perhaps not so rapidly as it should, but it has continued to grow and is a part of the entire program now. It holds very fine possibilities.

Mr. President, the primary objective of the Trade Development and Assistance Act of 1954, Public Law 480, was to reduce surplus agricultural commodities. I have been greatly impressed with the effective operations of this program in moving surplus agricultural commodities through private trade channels, with primary emphasis on trade rather than aid and giveaways.

Mr. President, for the past several years, along with the Senator from South Dakota [Mr. CASE] and the Senator from Washington [Mr. JACKSON], I have sponsored legislation in our Military Construction Subcommittee designed to use more foreign currencies in the construction of overseas military housing. In the military housing construction program of the Department of Defense, contracts have already been consummated in the following countries:

Country	Number of units	Cost (dollar equivalent)
United Kingdom (14 locations).....	1,433	\$15,000,000
France (20 locations).....	2,700	50,000,000
Japan (22 locations).....	1,691	17,000,000
Total.....	5,824	82,000,000

The following additional projects have been approved and will be placed under

contract as soon as designing work has been completed and bids taken:

Country	Number of units	Cost (dollar equivalent)
Spain (5 locations).....	426	\$6,400,000
Italy (3 locations).....	616	8,500,000
United Kingdom (22 locations).....	960	12,000,000
Philippine Islands (Clark Air Force Base).....	900	18,000,000
Bermuda (Kindley Air Force Base).....	600	12,000,000
Morocco (3 locations).....	500	8,000,000
Total.....	4,002	64,900,000

Still further projects are in the early stages of development for installation in Saudia Arabia, Morocco, Spain, Iceland, and other countries. All of these projects except those in the Philippines and Bermuda will be financed from existing United States-owned balances of local currency acquired through the sale of surplus agricultural commodities pursuant to title I, Public Law 480, 83d Congress.

Our Military Construction Subcommittee has also granted authority making possible barter-type operations under the CCC Charter Act. The barter program would enable countries who have not heretofore been interested in surplus commodities to negotiate for use of CCC stocks in construction of military housing. France recently contracted for \$50 million for the construction of 2,700 housing units. The Defense Department has also been negotiating for barter contracts with the Philippines, Bermuda, and Libya. Barter programs could also be used to good advantage for 400 to 500 military-housing units in Saudia Arabia, 600 units in Morocco, and possibly additional projects in France.

Unfortunately, the Department of Agriculture has notified the Defense Department that they are not interested in entering into additional contracts for barter transactions. Such barter transactions offer an additional means of disposing of surplus agricultural commodities in countries which would not otherwise purchase them. It is my understanding that the Department's primary objection is based on a claim that surplus commodities moved by this means would displace cash sales for United States dollars, and the transactions would be entered on the CCC books as a loss to the agricultural program. This certainly appears to be a minor technical point which can be cleared up through legislation, and I strongly urge the Department of Agriculture to reconsider their position with the objective of continuing the barter program until such time as Congress can clarify this point.

Mr. President, I wish also to reaffirm my special interest in and support for an expanded use of foreign currencies in market development projects. This program is a move in the right direction and will be of lasting benefit in building strong markets for United States agricultural commodities in years to come. Such projects are already underway in 20 countries and involve the equivalent of about \$5 million. About \$32 million is earmarked for this purpose under exist-

ing agreements. This program has special merit from the standpoint of marketing studies, advertising, and sales promotion for increased markets for American cotton, and I hope that greater emphasis will be given to expanding the use of foreign currencies for this purpose.

This public law could and should become a major part of our foreign policy, as well as a major factor in our commercial dealings and relations with foreign countries. Most of our aid program could and should be built around and channeled through the policy reflected by this law, which should be further emphasized and pushed. It should become a permanent part of the structure of our dealings and relations with other countries.

During the 12-month period closing June 30, 1957, we actually spent \$2.2 billion for military aid, and \$1.6 billion for economic and other aid, a total of \$3.8 billion. A great percentage of this huge cash outlay could have been channeled more effectively through this program. This is just one example of the great possibilities under title I of Public Law 480, which has moved sizable quantities of our surplus cotton and other agricultural commodities in an orderly and business-like way. I fully support extending this act for 1 year and increasing the authorization by \$1 billion. I hope the Senate will give full approval to the conference report on S. 1314.

Mr. President, that is the bright spot I see in this program, as it progresses. It is necessary to continue such a program with friendly nations. It is necessary in aid of our policies and for the maintenance of our position among the friendly nations.

I believe that through this channel, in which the most constructive advance has been made, it will be possible to make permanent a really constructive development.

Mr. ALLOTT. Mr. President, at this time I should like to join the Senator from Kentucky [Mr. COOPER] and the Senator from Mississippi [Mr. STENNIS] in the remarks which they have made.

It seems to me that the Senator from Kentucky has a peculiar contribution to make here. Not only was he a Member of this body at the time when this legislation was being formulated, but as the United States Ambassador to India he has had an opportunity to see how the legislation works in one of the greatest, most populous countries of the world, and one which needs help and assistance in resisting communism probably as much as does any other country. Now, upon the return of the Senator from Kentucky to this body, he again assumes responsibility for the people of his State and for the people of the entire United States for this program and for other programs along the same line which may come later.

So it seems to me that his views regarding this matter have a peculiar significance and make a contribution which no other Member of this body is capable of making. I do not believe that any other Member of this body is capable of giving his own views the color

and the weight which the Senator from Kentucky has given his views, in connection with his discussion in the Senate of this matter.

The statement of the Senator from Kentucky now, in supporting this program, after having seen how it works, should weigh heavily with all who question the possibilities and the significance of trading our commodities for the various benefits derived and for currency with which to purchase them.

I desire to compliment the Senator from Kentucky. I hope many persons will read his remarks, and, particularly, will read them in the light of his changing responsibilities, which in my opinion place a very great weight and a completely different color upon his views.

Mr. NEUBERGER. Mr. President, the extension of Public Law 480 is of special importance to my State, particularly the great vistas of eastern Oregon, which constitute one of the major wheat-producing areas of our Nation.

No organization has made a more serious or concerted effort to take advantage of the beneficial and forward-looking features of Public Law 480 than the Oregon Wheat Growers League. I believe something of their story should be told, as we of the Senate act to extend Public Law 480—at least, Mr. President, I trust that is to be our action on the Senate floor today.

The senior Senator from Louisiana [Mr. ELLENDER] deserves great credit to his leadership in bringing this conference report before the Senate this afternoon, in his capacity as chairman of the Senate Committee on Agriculture.

Those who were present at the Public Law 480 hearings of Senator HUMPHREY'S Subcommittee on Agricultural Research and General Legislation, Friday, July 19, were generally agreed that they had heard a presentation of tremendous importance when Richard K. Baum, secretary-treasurer of the Oregon Wheat League, gave the fascinating account of how his organization has developed a market for wheat in Japan, India, and South Korea by using the machinery provided in Public Law 480. I believe every person in the hearing room was informed by Mr. Baum's report. If an anthology of the most significant committee statements were being assembled, I would enthusiastically recommend the inclusion of the report on activities of the Oregon Wheat League in the Orient. Here was information deserving of the widest circulation. Here were the facts and figures which described graphically the operation of a U. S. Government program on foreign soil.

If I may, Mr. President, I would like to call attention to some of the more salient details which Mr. Baum presented to the Senate Agriculture Committee. The Oregon Wheat Growers League was organized in 1926 and today has over 1,500 life members. At the request of the League, a State wheat commission was established 10 years ago to finance a "self-help" program. This was done by levying one-half cent per bushel on all wheat which members sold into commercial channels. As a mem-

ber of the Oregon State senate, I voted for various State laws which aided in organization of the Oregon Wheat League.

OREGON GROWERS DEPEND ON EXPORT

Because of the vast distances separating the Pacific Northwest from the great population centers, freight rates have been restrictive, and the wheatgrowers have to rely in substantial degree on the export market. Exports for the region have averaged 68 percent of production since World War II, as compared to 34 percent for the other wheat-producing areas of the United States.

The administrator of the Oregon Wheat Commission was one of a three-man Government team which explored market opportunities in the Orient in 1949. In 1952 the commission joined with the Millers' National Federation to initiate a project of teaching the nutritional value of wheat foods at the Women's Christian College at Madras, India.

With this experience as a guide, the wheatgrowers were prepared to move fast when Congress passed Public Law 480 near the end of the 1954 session. The signing of the law by President Eisenhower was the go signal to Dick Baum, of the wheat league, Earl Pollock, grain marketing specialist for the Foreign Agriculture Service, and Gordon Boals, director of exports for the Millers' Federation. These men explored Asiatic markets for opportunities to use Public Law 480 to promote wheat and wheat products. As a result, a year later the Japanese had signed to purchase \$85 million worth of farm products from the United States. It was recognized that the expansion of wheat consumption would be greatest in Japan, where, for reasons of economy and nutrition, official policy favored an increased use of such wheat foods.

Pollock and Baum returned again in 1955 to work out specific projects for promoting greater consumption of wheat foods. Mr. President, I should like to quote Mr. Baum directly at this point:

We immediately were confronted with many problems, including the language barrier. There was also a misunderstanding on who was going to supervise the spending of the local currency funds and on what type of projects the money could be used. The Japanese industry groups, which produced wheat foods, were disorganized and competing among themselves for use of local currency. After almost 5 weeks, we achieved a coordination of the Japanese industry associations which are now working harmoniously to promote their products on a national basis. These groups include the bread bakers association, the dry noodle makers, the wet noodle makers, the biscuit makers and the macaroni makers.

It was a difficult job, this overcoming a centuries-old habit of dependence on rice. Education and promotion were the weapons chosen to effect a change in dietary habits. Many communities in Japan have no bakery, and transportation from baking centers is often inadequate. Many children had never before tasted wheat products of any sort. This was the task that faced the leaders of the Oregon Wheat Commission and the Oregon Wheat Growers League when

they decided to send Joe Spiruta, a graduate of Oregon State College and a market analyst, to Japan to operate as their Far East representative.

Spiruta's first task was to prepare an exhibit for the International Trade Fair at Osaka, April 19 to 22, 1956. The exhibit proved tremendously successful. Three Japanese bakers worked at top speed to provide, from American prepared mixes, cakes, scones, rolls, and specialty products for the endless lines of curious Japanese who found the products novel, and by all reports gastronomically satisfying.

TRADE FAIRS HERALD SURPLUS AMERICAN FOODS

I should like to repeat Dick Baum's statement in regard to trade fairs, which he offered parenthetically:

Trade fairs are proving to be an effective way to promote American agricultural commodities. Consideration should be given to establishing permanent United States agricultural trade centers in such important world markets as Tokyo. In effect, these centers would be permanent exhibits similar to what are used temporarily at trade fairs.

I hasten on, Mr. President, to mention briefly other projects reported on by Mr. Baum, in which the Oregon Wheat Growers League engaged in carrying on their educational and promotional campaign in the interest of greater consumption of Northwest wheat. Eight kitchen demonstration buses staffed by Japanese nutritionists travel throughout the country showing housewives how to prepare low-cost nutritious meals, including wheat foods. Since beginning this project, 2,514 demonstrations have been performed before 258,967 homemakers. The reaction of a typical Japanese homemaker, as reported in one of their leading newspapers, is indicated by this quotation:

The materials they used were such that one could find in any shop around the corner, like fish meat sausage, whale meat, ramen (noodles), and the recipes that we could put to immediate use. While we were happily looking on, in no time these were finished—e. g., a dish of Chinese noodles, attractively garnished with chopped egg, ginger, string beans—sandwiches made with whalemeat, apple, and peanutbutter dressing. These foods were divided among us and we all enjoyed the taste. What an up-to-date and splendid idea is the kitchen car.

Over 300,000 pieces of literature featuring the theme of a balanced diet, including wheat foods, were distributed as another project of the league's operation under Public Law 480.

One of the most impressive projects described by Mr. Baum is the establishment of a bakers' training school, located at the Japan Institute of Baking in Tokyo; the school trains 30 to 40 bakers in a 3 months course. When graduated, these bakers return to their home prefectures to train others in the art of baking wheat products. By this system of training, it is estimated that, in June, classes were held in 200 locations with approximately 10,000 students in attendance. This is similar to the training plan that enabled the United States to develop skilled workers so rapidly during World War II. If every baker who is trained can also interest his cousins and

his aunts in wheat foods, it alone would develop a respectable new market.

Of coordinate importance is another project reported on at the hearing which is concerned with training home improvement extension workers to increase per capita consumption of wheat foods in the rural areas. Let me again quote directly from the report of Mr. Baum, if I may, Mr. President:

Generally speaking, the agricultural segment of Japan is the poorest fed portion of the Nation because they try to scull as much as possible from their tiny 2- and 3-acre farms, keeping barely enough food to get by. Also, due to their extremely low-income level, they fail to buy off-farm foods to vary their diet. In the rural areas, the per capita consumption of wheat foods is only about 8½ percent of the diet compared to about 35 percent for the Tokyo adult. One home improvement extension worker from each of the 46 prefectures received two courses of 10 days' training, each, during the past year in Tokyo. Following this training, the workers conducted courses at the district level for other home improvement workers.

The league has found the exchange of qualified United States and foreign personnel to be one of the best methods under their Public Law 480 operation for profoundly influencing the leaders of Far-Eastern countries. A 5-man delegation of top Japanese Government officials and industry representatives paid a 5 week visit to the United States last summer under this project. It is hoped that they will see the United States as a stable source of supply of quality wheat at reasonable prices. Just this past May a team of four from the United States visited Japan and South Korea. Raphael Raymond, president of the league was one of the quarter. He has reported on this trip in the June issue of the Wheat Field, monthly bulletin of the Wheat League. I ask unanimous consent, Mr. President, to have Mr. Raymond's short, but excellent article included at this point in my remarks.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

RAYMOND PRAISES JAPANESE WHEAT MARKETING PROJECTS

"The wheat market development projects in Japan are paying off for Oregon's growers," according to Raphael Raymond, Helix, president of the league. Raymond just returned from a wheat mission to Japan and South Korea.

In summarizing his impressions, Raymond said: "As a wheat rancher, I sincerely feel that we have hit upon an excellent way to promote the sale of our wheat products and expand our markets as well as building good will with our Japanese and Korean neighbors.

"Our present movement of wheat to oriental markets is the payoff for years of intensive Far Eastern market development work by the Oregon Wheat League and Commission, in cooperation with the United States Department of Agriculture and the Millers National Federation."

The Japanese have discovered, Raymond reported, that children are much larger since they have been getting wheat foods in a balanced meal under the school-lunch program. Children in rural areas formerly were larger than those of the same age in cities, but now that city children have the school-lunch program and more wheat foods instead of rice in their diets, the size situation has reversed.

A new wheat promotion project, financed with funds derived from foreign currency sales of United States wheat, has been approved to expand the school-lunch program in rural areas.

Raymond also reported outstanding results from other promotional projects the league is carrying out in Japan, including kitchen demonstration buses and bakers' schools.

Raymond said increasing industrial activity is giving Japan the dollars needed to buy wheat, which he believes the Japanese will import in large quantities for many years to come. Per capita rice consumption has declined 20 percent, with wheat replacing the rice. Japan can import wheat cheaper than it can be raised on the small hand-labor farms.

Excellent prospects for developing a market in Korea for bulgur wheat—a processed wheat being produced by a Seattle mill—were reported by Raymond. An initial shipment of 1,200 tons is scheduled next month, and a group of importers have formed an association to promote bulgur wheat in Korea.

Raymond said Korea needs our wheat badly, but because of lagging industrial development, lacks the means to purchase it.

The mission included three farmers—R. Raymond, representing Oregon; Glen L. Bayne, Ritzville, Wash., representing the Washington Association Wheat Growers, and Bob Wittman, Lapwal, Idaho, representing the Idaho Wheat Growers Association. Fourth member was Earl Corey, Portland, regional director of the United States Department of Agriculture Commodity Stabilization Service, who was representing the export trade.

The trade mission is one of many projects being carried out cooperatively by the League and the United States Department of Agriculture to expand export sales of Pacific Northwest wheat. The expenses of the trip were paid from local currency funds which the league obtained under agreement from the Foreign Agricultural Service, United States Department of Agriculture.

Mr. NEUBERGER. There have been other visitors from Japan, such as Dr. Oiso, who came as a guest of the league last December. Dr. Oiso, it should be noted, is the head of the nutrition section of the Ministry of Health and Welfare in Japan. In the month that he was here, Dr. Oiso studied our public-health program, school-lunch program, institutional feeding, methods of baking and preparation of wheat foods, and the use of wheat foods in the home. While in this country, Dr. Oiso was a speaker at the 29th annual meeting of the Oregon Wheat Growers League in Portland, where he addressed the members on the subject of "Wheat Foods in the Japanese Diet." Dr. Oiso told his audience that 6,877,359 children in 8,923 Japanese schools have a daily school lunch containing bread made of 100 grams of wheat flour.

Mr. President, I have touched on the more extensive projects which were the substance of Mr. Baum's report to Senator HUMPHREY's subcommittee. There was one in which the league cooperated indirectly with FAO and WHO in a nutrition conference that affected people of south and east Asia. There were other distributions of literature. There was the introduction of bulgur. This is wheat which has been cooked, dried very hard, and cracked, and is produced by a mill on the west coast. Mrs. Neuberger finds it a wonderful substitute for wild

rice. Twelve hundred tons of this bulgur was scheduled for shipment to Korea during July and August. Japanese industry groups utilizing wheat have begun to cooperate in their own promotional activities by preparing pamphlets and exhibiting together at the Tokyo Trade Fair.

Additional projects have been planned, and Mr. Baum told the subcommittee hearing that a major project will be the expansion of the school-lunch program into rural areas. It is hoped to reach approximately half a million more primary school children in this way. But, first, there will be a series of educational meetings in rural areas to create a desire among the parents to bring these benefits to their children.

It is most encouraging to learn that the Oregon Wheat League and the Millers' National Federation signed a Far East area project involving seven countries: Japan, Taiwan, Thailand, Burma, Indonesia, India, and Pakistan. Mr. Baum and a representative of the Foreign Agriculture Service will leave soon in mid-August to join Joe Spiruta in Japan, and will continue on to develop specific projects in all these countries. With the expansion of projects, the Washington Association of Wheat Growers is participating by subcontracting the Japanese school lunch project. One of the officials from the Washington Association was among the group who visited Japan this spring.

Mr. Baum, in concluding his remarks to the subcommittee, was very modest in his estimate of accomplishments. Just let me quote his final paragraph:

The wheat market development projects have not been underway long enough for a judgment to be made on their effectiveness in expanding markets. In Japan, however, the evidence is encouraging. Before the war, the average per capita consumption of rice was 330 pounds. Today, it has declined to 264 pounds. In contrast, consumption of wheat before the war was only 30 pounds, while at present, in urban areas, it has increased to over 90 pounds. Rice is still the primary food but consumption of wheat has increased 300 percent during the past 12 years.

In concluding this report, I want to emphasize the importance of the 480 program to our Nation's wheat growers. There are unlimited opportunities for market development projects with local currency in foreign countries. These funds make possible a unique cooperative effort between agriculture, industry, and government. The tremendous export movement during this past year has been no freak of the market. In countries of underconsumption, millions of people for the first time have had the money to buy wheat and other foods which they need. Public Law 480 has been referred to as a temporary program, but why should this be the case when it is a program that works? May I suggest to this committee that serious consideration be given to development of a permanent program incorporating the features of Public Law 480, which make it possible to sell United States agricultural commodities to people who need them.

It strikes me that, here, Dick Baum has offered a challenging and constructive suggestion. I am sure the subcommittee of the Senator from Minnesota [Mr. HUMPHREY] will investigate and evaluate its possibilities.

Mr. President, I ask unanimous consent to have printed in the RECORD, at the conclusion of these remarks, project tables submitted at the hearing, a news release issued by the Far East office of the Oregon Wheat Growers League, in Tokyo, and received in my office on July

12 and a special release from Seoul, Korea, which appeared in the Pendleton East Oregonian, Monday, July 29, 1957.

There being no objection, the releases and tables were ordered to be printed in the RECORD, as follows:

Market development projects of Oregon Wheat Growers League

Description of activity	Foreign currency in dollar equivalents (FAS)	United States dollars (League)	Foreign currency in dollar equivalents (local associations)	Total
Japan projects:				
1. Osaka Fair, Apr. 9, 1956, to Apr. 22, 1956 ¹	\$5,000	\$920		\$5,920
2. Kitchen buses, May 18, 1956, to Nov. 30, 1957	145,622	13,000	\$22,000	180,622
3. Educational materials, May 18, 1956, to May 18, 1957 ¹	11,447	600	3,255	15,302
4. Bakers school, May 25, 1956, to Sept. 30, 1957	108,210	8,000	36,380	152,590
5. Training extension agents, May 25, 1956, to May 25, 1957 ¹	61,539	5,000	10,420	76,959
6. United States wheat cup, July 25, 1956 ¹		152		152
7. Japanese mission to United States, Aug. 12, 1956, to Sept. 15, 1956 ¹	7,507	4,180		11,687
8. Southeast Asia Conference, Aug. 25, 1956, to Aug. 30, 1956 ¹	3,000	200	300	3,500
9. United States mission to Japan and South Korea, Apr. 27, 1957, to May 20, 1957 ¹	6,988	900		7,888
10. Advertising and promotion, Mar. 18, 1957, to Mar. 18, 1958	204,000	10,500	26,700	241,200
11. Administration expense, Mar. 18, 1957, to Mar. 18, 1959	37,163	2,500		39,663
12. School lunch, Mar. 18, 1957, to Mar. 18, 1959	118,604	7,000	22,273	147,877
13. United States flour brochure (10,000 copies), Apr. 1, 1957, to May 30, 1957 ¹	4,500	300		4,800
14. Bulgur promotion, Apr. 22-27, 1957 ¹	1,253	500	11,666	13,419
15. Tokyo Fair, May 5 to 19, 1957 ¹	5,500	600		6,100
Subtotals for Japanese projects	720,333	54,352	132,994	907,679

COOPERATIVE PROGRAM BETWEEN LEAGUE AND MILLERS' NATIONAL FEDERATION

South Korea, Oct. 11, 1956, to Oct. 11, 1957	\$25,000	\$1,300		\$26,300
Thailand, Oct. 11, 1956, to Oct. 11, 1957	10,000	700		10,700
Subtotal for Korea and Thailand	35,000	2,000		37,000
Far East area project: Japan, Taiwan, Thailand, Burma, Indonesia, India, and Pakistan, June 24, 1957, to June 24, 1959	100,000	5,500		105,500

PROJECTS BEING SUBCONTRACTED BY LEAGUE TO WASHINGTON ASSOCIATION OF WHEAT GROWERS

Japan school lunch (included above)	\$6,000	\$2,500		\$8,500
Koreans to United States, Apr. 30 to Dec. 31, 1957	13,000	700	\$1,338	15,038
Bulgur in Korea (pending)				
Subtotal of projects subcontracted	19,000	3,200	1,338	23,538
Totals of all league projects	874,333	65,052	134,332	1,073,717

¹ Projects or activities which have been concluded.
² Approximately.

NEWS ABOUT WHEAT

TOKYO.—Unique evidence that wheat market development programs in Japan pay high dividends for Northwest wheat growers is shown in official Japanese Government reports listing noodlemakers here as a substantial, ever-growing market for American soft wheat.

Supporting this Japanese report, the United States Department of Agriculture's Foreign Service branch states that this Asian nation's annual consumption of domestic and imported wheat flour has risen to 2.1 million metric ton total, with 42 percent used by noodlemakers as against 58 percent divided up by bread, macaroni, and cracker makers. And of the 882,000 tons of noodles consumed each year, 30 percent are eaten in distinctively Japanese dishes—wet, and 70 percent in Chinese and Japanese style dishes—dry.

Japan's wet noodle industry uses some 140,000 tons of United States soft wheat flour each year, the dry noodle even more, at a 430,000-ton average annual rate.

Americans stationed in Japan join Japanese in a liking for what the latter call Udon—a popular wheat dish for all, regard-

less of age or sex. Udon retail shops are everywhere and the tasty noodles furnish quick lunch at train stops, curbside stalls, even from wooden carts that trundle down the busiest city thoroughfares, heralded by the distinctive creaking wheels.

Two considerations, apart from tradition, account for the vast popularity: the simple, delicious taste, and the low price. The Udon, soaked in soy sauce, retails for a mere 7 cents, and the more varied types, dished up with eggs, fried bean curd, ham hocks, strips of beef or chicken, and boiled fish paste range between 8 and 16 cents.

One or two bowls can even satisfy a hungry American.

A colorful, characteristically Japanese sight is the restaurant boy riding his bicycle, using one hand to steer through heavy traffic, the other balancing 3 to 5 tiers of trays and 30 to 40 bowls of the steaming wheat dish. This feat Americans have called "the eighth wonder of the world."

Under the wheat publicity market development projects, approved by the United States Department of Agriculture this March, and signed between the Oregon Wheat Growers League and the Japanese

National Food Life Improvement Association, \$200,000 equivalent yen obtained from surplus agricultural products under Public Law 480 has been earmarked to boost sales of wheat foods in Japan, and to expand American wheat markets here.

To the Wet Noodle Federation, major consumers of United States soft wheat, \$40,000 equivalent yen has been given, and to this has been added \$10,000 equivalent Japanese yen contributed by the more than 10,000 Udon retailers in this country.

The federation, assisted by Joseph J. Spiruta, Far East representative of the Oregon Wheat Growers League, will open a nationwide sales campaign of their products this fall.

"Such a campaign," said Mr. Spiruta, "will serve the mutual interests of the Japanese people, in nutritional improvement, and the American wheat growers, in market development and expansion."

[From the Pendleton, Oreg., East Oregonian of July 29, 1957]

KOREAN WHEAT DELEGATION TO VISIT IN UNITED STATES

SEOUL.—The long-awaited exchange of wheat missions between Korea and the United States will be realized with the departure on August 2 of a six-man Korean wheat delegation. The group consists of four representatives of private industry and officials from the ROK Ministries of Agriculture and Health.

A four-man American wheat mission, comprising representatives of the Pacific Northwest States, visited Korea in May.

Announcement of the imminent departure of the Korean delegation was made at Seoul by Joseph J. Spiruta, Far East representative of the Oregon Association of Wheat Growers, who is currently in the ROK capitol making arrangements.

Mission members are Han Ki Myong, chief, grain administration bureau, ministry of agriculture and forestry; Jung Sun Sohn, chief, social affairs section, ministry of health and social welfare; Lee Chun Won, representing Korean Flour Mills Industrial Association; and Cho Gun Sil, representing Seoul Wheat Flour Merchants Guild and the Korean Society for the Promotion of Bulgur Wheat. Unofficial observers accompanying the mission are Chung E. Sik, president, Dayong Flour Mills Co., and Chun Hwa Soon, vice president, Chosun Flour Mills Co.

TWO WEEKS IN NORTHWEST

The Korean wheat team will spend approximately 2 weeks in the Pacific Northwest, primarily in Washington, but also in Idaho and Oregon, before flying on to Washington, D. C., for conferences with key officials of the Foreign Agricultural Service, USDA.

This first ROK wheat group ever to tour the United States will see wheatgrowing harvesting, transportation, and shipping facilities at firsthand.

The primary objectives of the wheat mission exchange is to determine the possibilities for expanding usage of wheat products through market-development programs.

"But, in addition," Spiruta explained, "the group will be able to foster mutual understanding and develop personal across-the-desk contacts with wheat men in the Pacific Northwest and Government officials in Washington that will be invaluable in future trans-Pacific relationships."

LONG EFFORTS NOTED

The departure of this group climaxes longstanding efforts on the part of Dr. Henry Buckhardt, agricultural attaché, United States Embassy, Korea, and Spiruta.

Korea, though primarily a rice and coarse-grain-eating nation, ranks third—after India and Japan—in the quantity of wheat imported and, during 1957, will receive at

least 270,000 metric tons of wheat brought in from the Pacific Northwest under provisions defined in section 402 and Public Law 480 programs.

Wheat imports this year will thus register a marked advance over imports from the Pacific Northwest in 1956, when a total of 169,556 metric tons arrived at Korean ports.

Imports have been broadened year after year, since the Korean war period and show every indication of continuing their advance.

Mr. NEUBERGER. I should like to add, with reference to the extension of Public Law 480, that besides the benefits which the law will provide—not only for our friendly nations overseas, but also for the wheatgrowers, whom I have mentioned—the extension is important to many growers of various orchard fruits.

In recent years some of those orchardists have experienced great difficulties because of climatic irregularities and because of very abnormal weather conditions which we have had in some parts of the United States, and because of premature and unseasonal freeze and cold snaps that have occurred in the Milton-Freewater district of Oregon. Furthermore, aggravating surpluses have clogged fruit markets.

By using some of the canned fruits under the provisions of S. 1314, which extends Public Law 480, we will not only achieve the improvements in foreign relations which were mentioned so informatively by the Senator from Kentucky [Mr. COOPER], but we shall also be assisting the orchardists whom I have mentioned, who have been suffering adverse economic and agricultural conditions.

I should like to thank the distinguished chairman of the Senate Committee on Agriculture and Forestry for the time and attention which he and his colleagues have devoted to extending this most enlightened and forward-looking farm program and international program. This undertaking, Mr. President, is not only important in the field of agriculture, but it is vital in the realm of our international diplomacy.

In conclusion, Mr. President, I ask unanimous consent to have printed in the RECORD five telegrams I have received from agricultural leaders in my State urging support of Senate bill 1314, which acts to extend the very beneficial Public Law 480. They refer particularly to the potential favorable effect on orchard fruits.

There being no objection, the telegrams were ordered to be printed in the RECORD, as follows:

SAN FRANCISCO, CALIF., August 1, 1957.
Hon. Senator RICHARD L. NEUBERGER,
Senate Office Building,
Washington, D. C.:

Domestic consumption of canned bartlett pears insufficient to utilize production of 1957 from California, Oregon, and Washington. Export markets essential to Pacific coast growers. Immediate passage of 480 bill will provide necessary stimulus to canning industry. Section 104 funds will aid all Pacific coast canning and fruit grower interests.

JOS. GREEN,
Chairman.

E. R. JOHNS,
Secretary-Manager, Program Committee Marketing Program for Canning Bartlett Pears.

SALEM, OREG., August 1, 1957.
Hon. Senator RICHARD L. NEUBERGER,
Senate Office Building,
Washington, D. C.:

Fruit growers in southern Oregon are keenly interested in passage of S. 1314 which amends Public Law 480 to stimulate foreign sales of surplus fruits resulting from extremely heavy crop plus carryover of 1956 canned pack. Please air mail copy of S. 1314 and any committee report now available. Thanks and regards.

ROBERT J. STEWARD,
Director Oregon Department of Agriculture.

YAKIMA, WASH., July 31, 1957.
Hon. Senator RICHARD L. NEUBERGER,
Senate Office Building,
Washington, D. C.:

Passage of S. 1314 extremely important to Oregon and Washington fruit growers who need export outlets for proper marketing. Proposed British fruit package stalled until legislation passed. Time running out. Urge your every effort bringing conference report on S. 1314 onto floor.

ERNEST FALK,
Northwest Horticultural Council.

UKIAH, CALIF., July 31, 1957.
Senator RICHARD NEUBERGER,
Senate Office Building,
Washington, D. C.:

Peargrowers Oregon, Washington, California urgently request prompt Senate action 480 bill being delayed by civil-rights legislation debate. Unsold pears now being dropped. Lack cannery demand, but approval 480 should encourage canner confidence and financing in current pear and fruit cocktail packs. Sinne European pear crop disastrously reduced by freeze.

RUEL R. STICKENY,
President, Pacific States Canning Pear Marketing Association.

MEDFORD, OREG., July 31, 1957.
Hon. RICHARD NEUBERGER,
United States Senator from Oregon,
Senate Building, Washington, D. C.:

S. 1314 amends Public Law 480 to provide certain foreign countries with fruit, chiefly from California, Oregon, and Washington. Due to the extremely heavy crop plus carryover of 1956 canned fruits in canneries on hand at this time, it is very important that S. 1314 be enacted at the earliest possible date. The first beneficiaries of the passage of this act will be California growers who are in peak of harvest at present time. Next will be Oregon growers and then Washington growers. Both Oregon and Washington growers will also benefit on their apple crops, and this aid is needed and will continue to be needed throughout the balance of this year. We respectfully urge your assistance and cooperation with others in the earliest possible passage of this bill.

Respectfully yours,
FRUIT GROWERS LEAGUE OF JACKSON COUNTY,
MEDFORD PEAR SHIPPERS ASSOCIATION,
FRED MORLAN,
Secretary of both Associations.

The PRESIDING OFFICER (Mr. CASE, of South Dakota, in the Chair). The question is on agreeing to the conference report.

Mr. STENNIS. Mr. President, I understand the Senator from Texas [Mr. YARBOROUGH] desires to address the Senate on the report.

Mr. YARBOROUGH. Mr. President, I do not desire to make a speech on the subject. I merely wish to commend the junior Senator from Oregon [Mr. NEUBERGER], the junior Senator from Mississippi [Mr. STENNIS], the Senator from Kentucky [Mr. COOPER], and other Sen-

ators for the fine remarks they have made, and to also commend the work of the conference committee as to this bill.

I particularly appreciate the statement in the report about the aid it is intended to give to surplus cotton, which has piled up. I think this is a step in the right direction, and that the extension of the law, with the amendments and corrections made, will be a forward step for American agriculture.

The PRESIDING OFFICER. The question is on agreeing to the conference report.

The report was agreed to.

RECIPROCAL CULTURAL EXCHANGE PROGRAM BETWEEN THE UNITED STATES AND THE NATIONS OF EASTERN EUROPE AND WAIVING OF FINGERPRINTING REQUIREMENTS—SUBMISSION OF CONCURRENT RESOLUTION AND INTRODUCTION OF BILL

Mr. JAVITS. Mr. President, I submit a concurrent resolution and introduce a bill for appropriate reference.

The concurrent resolution (S. Con. Res. 44) to express the sense of Congress relative to interchange on a reciprocal basis of persons with Russia and other eastern European countries under the United States information and Educational Exchange Act, submitted by Mr. JAVITS, was received and referred to the Committee on Foreign Relations, as follows:

Resolved by the Senate (the House of Representatives concurring), That it is the sense of the Congress that the Secretary of State, in administering the provisions of section 201 of the United States Information and Educational Exchange Act of 1948, as amended (62 Stat. 7, 22 U. S. C. 1446) should also interchange on a reciprocal basis persons described therein in substantial number with the Union of Soviet Socialist Republics or other Eastern European countries under the following conditions:

(a) the United States will defray the living expenses not to exceed an amount found by the Secretary of State to be reasonable and proper for a period not to exceed 6 months with respect to any individual, a national of the Union of Soviet Socialist Republics or other eastern European countries (1) who is transported to the United States at the expense or under the auspices of the country of which such person is a national for the purpose of visiting the United States, and (2) who is a student, trainee, teacher, or professor or a leader in a field of specialized knowledge and skill of the country of which such person is a national; and

(b) the Union of Soviet Socialist Republics or other European Communist country, as the case may be, will defray for equal periods of time the living expenses of a reciprocal number of nationals of the United States (1) who are transported to the Union of Soviet Socialist Republics or other eastern European countries, as the case may be, at the expense or under the auspices of the United States for the purpose of visiting the Union of Soviet Socialist Republics or other eastern European countries, as the case may be, and (2) who are students, trainees, teachers, or professors or leaders in a field of specialized knowledge and skill in the United States.

Sec. 2. The Secretary of State is requested to permit nationals of the Union of Soviet Socialist Republics or other eastern Euro-

pean countries, as the case may be, who enter the United States in pursuance of this concurrent resolution the same degree of freedom to travel and observe within the United States as that permitted by the Union of Soviet Socialist Republics or other eastern European countries, as the case may be, to nationals of the United States who enter the Union of Soviet Socialist Republics or other eastern European countries, as the case may be, to travel and observe within the Union of Soviet Socialist Republics or other eastern European countries, as the case may be, in pursuance of this resolution, and the Secretary of State is requested on the basis of reciprocity to waive the requirement of subsection (b), section 221 and section 262 of the Immigration and Nationality Act (66 Stat. 191; 8 U. S. C. 2101) relating to fingerprinting as authorized by the fourth sentence of section 201 (a) of the United States Information and Educational Exchange Act of 1948, as amended.

The bill (S. 2704) to amend section 201 (a) of the United States Information and Educational Exchange Act of 1948 so as to permit the waiver of fingerprinting requirements with respect to persons admitted into the United States pursuant to such act, introduced by Mr. JAVITS, was received, read twice by its title, and referred to the Committee on Foreign Relations.

Mr. JAVITS. Mr. President, these measures are designed to implement the reciprocal cultural exchange program between the United States and the nations of Eastern Europe, commonly called the Communist-bloc nations—a program which I believe can be a key factor in our struggle to achieve lasting peace.

The first is a concurrent resolution which provides for the interchange of persons, on a fully reciprocal basis, between the United States and the Communist countries of Europe under the provisions of the United States Information and Educational Exchange Act. The other measure is a bill amending that Act so as to authorize the Secretary of State and the Attorney General to waive the fingerprinting requirement which has seriously impeded all efforts to negotiate such a reciprocal program. Identical proposed legislation will be submitted in the other body by Representative A. S. J. CARNAHAN of Missouri.

The proposed legislation which I am submitting or introducing deals primarily with student exchanges, and proposes that each of the affected governments shall pay the cost of transportation, but that the cost of maintenance shall be paid by the host country, and that the student exchanges shall be reciprocal to such an extent that the privileges of travel—that is to say, travel of an extensive character through the countries, and an opportunity to see various things—shall be based solely upon reciprocity between the two nations concerned.

Mr. President, as a part of my remarks, I ask unanimous consent to have printed at this point in the RECORD an article entitled, "Should We Fingerprint Foreign Visitors," which was published in the Washington Star of July 21, 1957.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[From the Washington Star of July 21, 1957]
SHOULD WE FINGERPRINT FOREIGN VISITORS?
 (By Earl H. Voss)

For some years now the United States has been taking a propaganda flogging from the Soviet Union over the law requiring visiting aliens to be fingerprinted.

In one of his more effective cocktail-party statements, Nikita Khrushchev, the Kremlin's first among unequals, asserted the Soviet Union could never overlook the American fingerprinting requirement. He told one of the few American idols in Russia, violinist Isaac Stern, "It is a requirement for criminals. It is degrading. It is a shame. None of our people will ever go to the United States if they have to be fingerprinted."

Last January, President Eisenhower told Congress, in a special immigration message: "One of the obstacles to travel and a hindrance to the free exchange of ideas and commerce is the requirement in the present law that every alien who applies for a visa or who comes to the United States without a visa but remains for as much as 30 days be fingerprinted. In some foreign countries fingerprinting is regarded with disfavor. Lacking any significant contribution to our national safety and security, the law should be amended to eliminate the requirement of fingerprinting for aliens coming to the United States for temporary periods."

After this plea, the House Immigration Subcommittee voted to continue the fingerprinting proviso for nationals of Communist countries. There is some hope, however, that proadministration forces may be able to get a new batch of immigration amendments, including one dealing with fingerprinting, out onto the floor this session.

THE REASONS FOR IT

Why do some Congressmen want to continue fingerprinting?

First, Justice Department and State Department security officials concede that fingerprinting does provide one additional check on an individual, and thus somewhat reduces the chance that an alien dangerous to our security might be admitted to the country.

Second, the fingerprinting requirement reduces the influx of aliens by an undetermined amount. And there are those on Capitol Hill who think this is all to the good.

Third, Uncle Sam would lose a certain amount of face by giving in on the fingerprinting requirement. Such a move could be taken as an admission of a past error.

Why does the administration want to stop fingerprinting?

First, the national security would be little affected. President Eisenhower says fingerprinting make no significant contribution to our national safety and security. It is said that fingerprints of visiting aliens usually don't get to the Justice Department for checking until long after the visitors have toured the country and left.

A GAIN IN STATURE

Second, a discontinuance of fingerprinting would have propaganda value. Far from losing face, it is said, the United States would gain stature for admitting a mistake, and making a reasonable adjustment. The Soviet Union would be deprived of a valuable propaganda item.

Third, the Soviet subterfuge in using our fingerprint requirements as a device to regulate travel of its nationals to the United States would be unmasked. The State Department is convinced the Kremlin wants to keep a tight rein on the broadening of East-West contacts. Moscow would be forced to admit that fingerprinting is not the principal obstacle for travel of Soviet citizens in this country.

Fourth, the controls over Communists would not be entirely lifted. Other regulations still provide for a thorough check on

visitors. Tourist visa applications require listing of past arrests, Communist Party membership, and other details which Moscow would have to ask Soviet citizens to falsify or to list frankly. Either way, State Department officials believe the Kremlin would lose and the West would win.

Fifth, several of the United States' European and Asian allies would be pleased if the fingerprinting requirement were lifted. France, Norway, and Nationalist China in particular are known to resent it but go along because it is to their advantage to do so.

Sixth, a certain modest expansion in East-West contacts would result, and this would be an important gain for the United States. As one high American official puts it. "We can't lose from exchanges. We have the most to sell."

BOLSHOI AN EXAMPLE

The Soviet Ambassador in Washington, Georgi Zaroubin, has been pressing the State Department to admit the Bolshoi ballet to the United States for a nationwide tour.

The Soviet Union might benefit first, by a certain amount of peripheral intelligence material; second, by development of a new admiration for the Soviet arts among the American people.

On the other hand, the United States would stand to gain, too. One of its larger cultural groups could tour the Soviet Union in return with greater advantages, both intelligencewise and popularitywise, than Bolshoi could gain here. Why? The United States has more to learn about the Soviet Union than Moscow about this country; and the Soviet peoples know less about American artists than the American people know about Bolshoi.

COMPROMISE IS FRAMED

House and Senate Judiciary Committees have agreed on a compromise wording of a new fingerprinting provision which is believed to be noncontroversial.

It provides that the Attorney General and Secretary of State shall have discretionary power to waive the fingerprinting requirement for nonimmigrant visitors, where this would be in the best interests of the United States.

It also provides that the waiving should be done on a reciprocal basis. This is largely a protection against any future action abroad, since few if any foreign countries now require visiting aliens to be fingerprinted.

Representative WALTER of the House Judiciary Committee, co-author of the Immigration and Nationalization Act, has been the principal foe of changing the fingerprinting regulations. He insisted that the fingerprinting provision be retained, but now is understood to have approved the waiver amendments.

The fate of the fingerprinting provisions, however, is still tied to that of the entire package of amendments to the Immigration and Nationality Act.

TWO BILLS CONSIDERED

Representative WALTER has worked with Senator DIRKSEN, of Illinois, and Senator KENNEDY, of Massachusetts, on standardizing the amendments. About five-sixth of a bill introduced by Senator DIRKSEN and about three-fourths of one by Senator KENNEDY are identical with Mr. WALTER's version.

First action in Congress is to be taken in the Senate. Whether the Judiciary Committee will report out the Dirksen or Kennedy bill—or a third version—or none at all, is still to be decided.

The biggest bone of contention—which might slow up or stop the whole package of amendments—is the question of redistributing unused quotas for immigrants.

If the Senators cannot agree among themselves, or if the House and Senate cannot

Public Law 85-128
85th Congress, S. 1314
August 13, 1957

AN ACT

71 Stat. 345.

To extend the Agricultural Trade Development and Assistance Act of 1954,
and for other purposes.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the Agricultural Trade Development and Assistance Act of 1954, as amended, is amended as follows:

(1) Sections 109 and 204 of such Act are amended by striking out "1957" and substituting in lieu thereof "1958".

(2) Section 103 (b) of such Act is amended by striking out "\$3,000,000,000" and inserting in lieu thereof "\$1,000,000,000".

(3) Section 203 of such Act is amended by striking out "\$500,000,000" and inserting in lieu thereof "\$800,000,000".

(4) Section 104 (e) of such Act is amended by striking out the semicolon at the end thereof and adding a comma and the following: "for which purposes not more than 25 per centum of the currencies received pursuant to each such agreement shall be available through and under the procedures established by the Export-Import Bank for loans mutually agreeable to said bank and the country with which the agreement is made to United States business firms and branches, subsidiaries, or affiliates of such firms for business development and trade expansion in such countries and for loans to domestic or foreign firms for the establishment of facilities for aiding in the utilization, distribution, or otherwise increasing the consumption of, and markets for, United States agricultural products: *Provided, however,* That no such loans shall be made for the manufacture of any products to be exported to the United States in competition with products produced in the United States or for the manufacture or production of any commodity to be marketed in competition with United States agricultural commodities or the products thereof. Foreign currencies may be accepted in repayment of such loans."

(5) Within sixty days after any agreement is entered into for the use of any foreign currencies, a full report thereon shall be made to the Senate and the House of Representatives of the United States and to the Committees on Agriculture and Appropriations thereof.

(6) Section 304 of such Act is amended to read as follows:

"SEC. 304. (a) The President shall exercise the authority contained in title I of this Act (1) to assist friendly nations to be independent of trade with the Union of Soviet Socialist Republics and with nations dominated or controlled by the Union of Soviet Socialist Republics and (2) to assure that agricultural commodities sold or transferred thereunder do not result in increased availability of those or like commodities to unfriendly nations.

"(b) Nothing in this Act shall be construed as authorizing transactions under title I or title III with the Union of Soviet Socialist Republics or any of the areas dominated or controlled by the Communist regime in China."

Approved August 13, 1957.

68 Stat. 454.
7 USC 1691 note.

Extension.
7 USC 1709,
1724.
Surplus disposal.
7 USC 1703.
Famine relief.
7 USC 1723.
Foreign currency loans.
7 USC 1704.

Reports to Congress.

7 USC 1693.
Independent trade, etc.

U.S.D.A.
SEA/TIS
LAW LIBRARY
ROOM 1406 SOUTH
WASHINGTON D.C. 20550

